

**AMALGAMATION AGREEMENT**

**among**

**MIRAMIS MINING CORP.**

**and**

**CARLYLE COMMODITIES CORP.**

**and**

**1500285 B.C. LTD.**

September 27, 2024

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## AMALGAMATION AGREEMENT

**THIS AMALGAMATION AGREEMENT** (this “**Agreement**”) is dated the 27<sup>th</sup> day of September, 2024.

**AMONG:**

**CARLYLE COMMODITIES CORP.**, a corporation existing under the *Business Corporations Act* (British Columbia),

(“**CCC**”)

**AND:**

**MIRAMIS MINING CORP.**, a corporation existing under the *Business Corporations Act* (British Columbia),

(“**Miramis**”)

**AND:**

**1500285 B.C. LTD.**, a corporation existing under the *Business Corporations Act* (British Columbia),

(“**Subco**”)

**WHEREAS:**

- A. CCC is a reporting issuer under Canadian securities legislation with its common shares listed and quoted for trading on the CSE (as defined herein);
- B. Miramis is an unlisted reporting issuer under Canadian securities legislation;
- C. Subco is a newly incorporated, wholly-owned subsidiary of CCC;
- D. It is intended that Miramis and Subco will amalgamate under the provisions of the BCBCA (as defined herein) (the “**Amalgamation**”) and the terms and conditions of this Agreement to form one corporation, which will continue under the name “**Miramis Mining Corp.**” (“**Amalco**”);
- E. Upon the Amalgamation Effective Date (as defined herein), among other things, the outstanding common shares in the capital of Miramis (“**Miramis Shares**”) will be exchanged for common shares in the capital of CCC (“**CCC Shares**”) in accordance with the provisions of this Agreement;
- F. The Board of Directors of CCC has determined that the transactions contemplated by this Agreement are fair and that the Amalgamation is in the best interests of CCC; and

- G. The Board of Directors of Miramis (the “**Miramis Board**”) has determined that the transactions contemplated by this Agreement are fair and that the Amalgamation is in the best interests of Miramis, and the Miramis Board has resolved to recommend that the Miramis Shareholders (as defined herein) vote in favour of the Amalgamation at the Miramis Meeting (as defined herein), all subject to the terms and the conditions contained in this Agreement.

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties (as defined herein), the Parties covenant and agree as follows:

## **ARTICLE 1** **DEFINITIONS AND INTERPRETATION**

### **Section 1.1 Definitions**

In this Agreement, the following words and terms have the meanings ascribed to them below:

“**120 Day Escrow**” means the 120-day escrow restriction applied to the Escrowed Shares, pursuant to which 33% of the Escrowed Shares will be released from escrow on Closing, 33% of the Escrowed Shares will be released from escrow on the date that is 60 days from Closing, and 34% of the Escrowed Shares will be released from escrow on the date that is 120 days from Closing;

“**Agreement**” means this agreement, including all Schedules, as it may be supplemented or amended by written agreement among the Parties;

“**Amalco**” has the meaning set forth in the recitals above;

“**Amalco Shares**” means the common shares in the capital of Amalco;

“**Amalgamation**” has the meaning set forth in the recitals above;

“**Amalgamation Application**” means the amalgamation application that will be filed with the Registrar under subsection 275(1)(a) of the BCBCA in order to give effect to the Amalgamation;

“**Amalgamation Effective Date**” means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;

“**Amalgamation Resolution**” means the special resolution passed by the Miramis Shareholders at the Miramis Meeting to adopt this Agreement and approve the Amalgamation pursuant to Section 271(6)(a)(i) of the BCBCA;

“**Applicable Canadian Securities Laws**” means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Amalgamation Effective Date;

**“Applicable Laws”** in the context that refers to one or more Persons, means any domestic or foreign, federal, state, provincial or local law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement enacted, adopted, promulgated or applied by a Governmental Authority, and any terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, that is binding upon or applicable to such Person or Persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or persons or its or their business, undertaking, property or securities;

**“Axcap Sale”** means the the potential sale of the Newton Property to Axcap Ventures Inc. as disclosed by CCC to Miramis;

**“BCBCA”** means the *Business Corporations Act* (British Columbia) and the regulations promulgated thereunder, as amended from time to time;

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

**“CCC”** has the meaning set forth in the recitals above;

**“CCC Disclosure Documents”** means, collectively, all documents published or filed by CCC with the securities regulatory authorities in Canada since January 1, 2023 and available on SEDAR+;

**“CCC Financial Statements”** means the annual audited financial statements of CCC prepared in accordance with IFRS for the years ended February 29, 2024 and February 28, 2023;

**“CCC Finder Units”** means units of CCC, with each unit consisting of one CCC Share and one-half of one CCC Share purchase warrant, with each warrant entitling the holder thereof to purchase one CCC Share at a price of \$0.375 for a period of 36 months from issuance;

**“CCC Finder Warrants”** means an aggregate total of 53,333 outstanding warrants of CCC, each exercisable at a price of \$0.15 into one CCC Finder Unit until March 22, 2026;

**“CCC Options”** means, collectively or individually as the context may require, an aggregate total of 8,480,000 outstanding options to purchase CCC Shares, with each option entitling the holder thereof to purchase one CCC Share comprised of the following: 102,500 options at an exercise price of \$1.50 until May 15, 2025, 127,500 options at an exercise price of \$1.40 until February 19, 2026; 1,550,000 options at an exercise price of \$0.22 until November 24, 2027; 1,000,000 options at an exercise price of \$0.31 until January 11, 2028; 150,0,00 options at an exercise price of \$0.33 until January 27, 2028; 1,450,000 options at an exercise price of \$0.15 until March 22, 2028; 1,800,000 options at an exercise price of \$0.13 until September 12, 2028; 300,000 options at an exercise price of \$0.17 until October 18, 2025; 1,500,000 options at an exercise price of \$0.09 until January 22, 2029 and 500,000 options at an exercise price of \$0.055 until April 4, 2029;

**“CCC Shares”** has the meaning set forth in the recitals above;

**“CCC Subsidiaries”** means Subco, BC Vanadium Corp., a company formed under the laws of British Columbia, WEM Western Energy Metals Ltd., a company formed under the laws of British Columbia, ISAAC, a company formed under the laws of British Columbia, and OWL Lake Resources Ltd., a company formed under the laws of Ontario, each a wholly-owned subsidiary of CCC;

**“CCC Warrants”** means, collectively or individually as the context may require, an aggregate total of 38,576,924 outstanding CCC Share purchase warrants, with each warrant entitling the holder thereof to purchase one CCC Share comprised of the following: 266,666 warrants each exercisable at an exercise price of \$2.00 until March 27, 2025; 862,833 warrants each exercisable at an exercise price of \$2.00 until April 29, 2025; 453,200 warrants each exercisable at an exercise price of \$2.00 until May 14, 2025; 3,459,166 warrants each exercisable at an exercise price of \$0.30 until October 21, 2025; 298,266 warrants each exercisable at an exercise price of \$0.15 until October 21, 2025; 1,405,000 warrants each exercisable at an exercise price of \$0.30 until October 31, 2025; 123,520 warrants each exercisable at an exercise price of \$0.15 until October 31, 2025; 2,473,333 warrants each exercisable at an exercise price of \$0.30 until November 10, 2025; 200,800 warrants each exercisable at an exercise price of \$0.15 until November 10, 2025; 370,000 warrants each exercisable at an exercise price of \$0.375 until February 24, 2026; 56,000 warrants each exercisable at an exercise price of \$0.25 until February 24, 2026; 70,000 warrants each exercisable at an exercise price of \$0.375 until March 3, 2026; 670,832 warrants each exercisable an exercise price of \$0.375 until March 22, 2026; 7,617,823 warrants each exercisable at an exercise price of \$0.15 until August 18, 2026; 84,560 warrants each exercisable at an exercise price of \$0.08 until August 18, 2026; 6,205,705 warrants each exercisable at an exercise price of \$0.15 until August 30, 2026; 58,400 warrants each exercisable at an exercise price of \$0.08 until August 30, 2026; 2,250,879 warrants each exercisable at an exercise price of \$0.30 until December 8, 2025; 324,941 warrants each exercisable at an exercise price of \$0.17 until December 8, 2025; 2,400,000 warrants each exercisable at an exercise price of \$0.10 until May 14, 2027; 80,000 warrants each exercisable at an exercise price of \$0.05 until May 14, 2027; 2,500,000 warrants each exercisable at an exercise price of \$0.10 until July 5, 2027; 120,000 warrants each exercisable at an exercise price of \$0.05 until July 5, 2027; and 6,225,000 warrants each exercisable at an exercise price of \$0.10 until August 19, 2027;

**“CDS”** means CDS Clearing and Depository Services Inc.;

**“Certificate of Amalgamation”** means the certificate of amalgamation to be issued by the Registrar in respect of the Amalgamation in accordance with subsection 281 of the BCBCA;

**“Claim”** means any claim, demand, action, cause of action, suit, arbitration, investigation, proceeding, complaint, grievance, charge, prosecution, assessment or reassessment, including any appeal or application for review;

**“Closing”** means the closing of the Transaction;

**“Closing Date”** means the date of Closing, which is the day that is five (5) Business Days following the Amalgamation Effective Date, or such other date as the Parties may agree;

**“Constating Documents”** means as to each of the Parties, its certificate of incorporation, notice of articles and articles as in effect as of the date of this Agreement;

**“Contract”** means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership or other right or obligation (written or oral) to which a Party is a party or by which it is bound or affected or to which any of their respective properties or assets is subject;

**“Corporate Records”** means books, ledgers, files, lists, reports, plans, logs, deeds, surveys, correspondence, operating records, Tax Returns and other data and information, including all data and information stored on computer-related or other electronic media, maintained with respect to Miramis, CCC and Subco;

**“CSE”** means the Canadian Securities Exchange;

**“Depository”** means Endeavor Trust Corporation or any other depository or trust company, bank or financial institution as Miramis and CCC may mutually appoint to act as depository for the Miramis Shares;

**“Dissent Rights”** has the meaning ascribed thereto under Section 2.12;

**“Effective Time”** means the time on the Amalgamation Effective Date that the Amalgamation becomes effective;

**“Encumbrance”** means any security interest, mortgage, charge, pledge, hypothec, lien, encumbrance, restriction, option, adverse claim, right of others or other encumbrance of any kind;

**“Escrowed Shares”** means the CCC Shares issued to the Miramis Shareholders on Closing in accordance with Section 2.10(a);

**“Governmental Authority”** means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature as well as any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them;

**“IFRS”** means International Financial Reporting Standards;

**“ISAAC”** means ISAAC Newton Mining Corp. a wholly-owned subsidiary of CCC;

**“Law”** or **“Laws”** means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, and the term **“applicable”** with respect to Laws and in a context that refers to one or more Persons, means that the Laws apply to the Person or Persons, or its or their business, undertaking, property or securities,



and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

**“Material Adverse Change”** or **“Material Adverse Effect”** means with respect to a Party, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, capitalization, financial condition, rights, liabilities or prospects, contractual or otherwise, of such Party and its subsidiaries, if applicable, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) a change in the market trading price of publicly traded securities of a Party following the public announcement of the execution of this Agreement and the transactions contemplated hereby; (ii) general economic, financial, currency exchange, securities or commodity market conditions in Canada or the United States; (iii) any change in IFRS occurring after the date hereof; (iv) any change in applicable Laws or in the interpretation thereof by any Governmental Authority occurring after the date hereof; (v) the commencement, occurrence or continuation of any war, armed hostilities or acts of terrorism; or (vi) any natural disaster, provided, however, that with respect to clauses (ii) to (vi), such changes do not relate specifically to a Party and its subsidiaries, or do not have a disproportionate effect on such Party and its subsidiaries, compared to other companies of similar size and business and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a **“Material Adverse Effect”** has occurred;

**“Material Change”** and **“Material Fact”** has the meanings ascribed thereto under Applicable Canadian Securities Laws;

**“Material Contract”** means a Contract considered a material contract under Applicable Canadian Securities Laws;

**“Newton NSRs”** means, collectively: (i) the 2% net smelter return royalty on the Newton Property granted by ISSAC to AMARC Resources Ltd. and the related annual advance royalty payment of \$25,000; and (ii) the 2% net smelter return royalty on certain mineral claims comprising the Newton Property granted by ISSAC in favour of two underlying owners;

**“Newton Property”** means ISSAC’s Newton property located approximately 108 km west-southwest of Williams Lake, British Columbia in the Clinton Mining Division at 51<sup>o</sup> 47.85’ N Latitude and 123<sup>o</sup> 37.26’ W Longitude, consisting of 62 claims comprising an area of approximately 23,003 hectares;

**“Nicola East Option Agreement”** means the amended and restated letter agreement: Merritt Resources Corp. & The Nicola East Project dated January 9, 2023, as amended on May 27, 2024 among Christopher R. Paul, Michael Blady and Oliver J. Friesen, as optionors, and Miramis HoldCo, as optionee;

**“Nicola East Property”** means those certain mineral claims which comprise Miramis’ Nicola East property located in southern British Columbia (25 kilometres from Merritt, British Columbia);

**“Notice”** means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party;

**“Miramis”** has the meaning set forth in the recitals above;

**“Miramis Board”** has the meaning set forth in the recitals above;

**“Miramis Broker Warrants”** means, collectively or individually as the context may require, an aggregate total of 464,632 outstanding Miramis Share purchase warrants, with each warrant entitling the holder thereof to purchase one Miramis Share comprised of the following: 3,832 warrants each exercisable at an exercise price of \$0.20 until October 28, 2024; 144,000 warrants each exercisable at an exercise price of \$0.05 until July 17, 2025; 257,600 warrants each exercisable at an exercise price of \$0.05 until November 23, 2025; 59,200 warrants each exercisable at an exercise price of \$0.05 until December 5, 2025;

**“Miramis Disclosure Documents”** means, collectively, all documents published or filed by Miramis with the securities regulatory authorities in Canada since January 1, 2023 and available on SEDAR+;

**“Miramis Dissent Shares”** has the meaning ascribed thereto under Section 2.13;

**“Miramis Dissenting Shareholder”** means any Miramis Shareholder who exercises their Dissent Rights in accordance with Section 2.13;

**“Miramis Financial Statements”** means the annual audited financial statements of Miramis prepared in accordance with IFRS for the years ended March 31, 2024 and December 31, 2022;

**“Miramis HoldCo”** means Miramis Holdings Corp.

**“Miramis Meeting Materials”** means the notice of the Miramis Meeting and the information circular to be prepared in connection with the Miramis Meeting, together with any amendments thereto or supplements thereof, and any other registration statement, information circular or proxy statement which may be prepared in connection with the Miramis Meeting, in each case to be sent to Miramis Shareholders;

**“Miramis Meeting”** means the special meeting of the Miramis Shareholders, including any adjournment or postponement thereof, to be held for the purpose of, among other things, approving the Amalgamation Resolution;

**“Miramis Shareholders”** means, at any time, the holders of Miramis Shares;

**“Miramis Shares”** has the meaning set forth in the recitals above;

**“Outside Date”** means January 25, 2025, or another date as otherwise agreed to by the Parties;

**“Parties”** means CCC, Miramis and Subco and **“Party”** means any of them;

**“Person”** means an individual, body corporate, sole proprietorship, partnership, trust, unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any Governmental Authority;

**“Quesnel Option”** means the potential acquisition by CCC of an option to acquire a 100% interest in certain mining claims in Quesnel, British Columbia as disclosed by CCC to Miramis;

“**Registrar**” means the registrar appointed under Section 400 of the BCBCA;

“**Securities Act**” means the *Securities Act* (British Columbia);

“**Subco**” has the meaning set forth in the recitals above;

“**Subco Shares**” means common shares in the capital of Subco;

“**Tax**” means all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions and other charges of any kind whatsoever, whether direct or indirect, together with all interest, penalties, fines, additions to tax or other additional amounts, imposed by any Governmental Authority;

“**Tax Act**” mean the *Income Tax Act* (Canada), and the regulations promulgated thereunder, as amended from time to time;

“**Tax Return**” means any return, report, declaration, designation, election, undertaking, waiver, notice, filing, information return, statement, form, certificate or any other document or materials relating to Taxes, including any related or supporting information with respect to any of the foregoing, filed or to be filed with any Governmental Authority in connection with the determination, assessment, collection or administration of Taxes; and

“**Transaction**” means the proposed transaction to combine the businesses operations and assets of CCC and Miramis pursuant to the Amalgamation.

## **Section 1.2 Certain Rules of Interpretation**

- (a) In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word “including” in this Agreement is to be construed as meaning “including, without limitation”.
- (b) The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.
- (d) Unless otherwise specified, any reference in this Agreement to any statute includes all regulations made under or in connection with that statute from time to time, and is to be construed as a reference to that statute as amended, supplemented or replaced from time to time.

### **Section 1.3 Governing Law**

This Agreement is governed by, and is to be construed and interpreted exclusively in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein. The Parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia to resolve any disputes arising hereunder.

### **Section 1.4 Entire Agreement**

This Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitutes the entire agreement among the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements among the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or the other agreements and documents delivered pursuant to this Agreement. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement or in one of the other agreements and documents delivered pursuant to this Agreement.

### **Section 1.5 Knowledge**

Where the phrase “to the knowledge of CCC” or “to the knowledge of Miramis” is used, such phrase will mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon, in the case of CCC, the knowledge of Morgan Good and in the case of Miramis, the knowledge of Adrian Smith and in all cases, “knowledge” means the actual knowledge of such directors or officers, as applicable, after due inquiry.

## **ARTICLE 2 THE TRANSACTION**

### **Section 2.1 Amalgamation**

Miramis, Subco, and CCC will effect the Amalgamation on the terms and subject to the conditions contained in this Agreement.

### **Section 2.2 Effect of Amalgamation**

At the Effective Time and in consequence of the Amalgamation:

- (a) Miramis and Subco shall be amalgamated to form Amalco under Division 3 of Part 9 of the BCBCA and shall continue as one corporation;
- (b) each of Miramis and Subco shall cease to exist as entities separate from Amalco;
- (c) all of the property of each of Subco and Miramis shall continue to be the property of Amalco;

- (d) Amalco shall continue to be liable for all of the liabilities and the obligations of each of Subco and Miramis;
- (e) any existing cause of action, claim or liability to prosecution with respect to any of Miramis or Subco will be unaffected;
- (f) any civil, criminal or administrative action or proceeding pending by or against any of Miramis or Subco may be continued to be prosecuted by or against Amalco;
- (g) any conviction against, or ruling, order or judgment in favour of or against, any of Miramis or Subco may be enforced by or against Amalco;
- (h) the Articles attached hereto as Exhibit "A" shall be the articles of Amalco; and
- (i) Amalco will be a wholly-owned subsidiary of CCC.

### **Section 2.3 Name**

The name of Amalco shall be "Miramis Mining Corp." or such other name as mutually agreed to by the Parties.

### **Section 2.4 Registered Office**

The registered office of Amalco shall be 1500-409 Granville St., Vancouver, British Columbia, V6C 1T2, Canada

### **Section 2.5 Authorized Capital and Restriction on Share Transfers**

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

### **Section 2.6 Fiscal Year**

The fiscal year end of Amalco shall be February 28 (or February 29 in the case of a leap year) of each calendar year.

### **Section 2.7 Business**

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

### **Section 2.8 Initial Directors**

The number of directors of Amalco shall be one (1) and the first director of Amalco shall be Morgan Good, who shall hold office until the first annual meeting of shareholders of Amalco or until his successors are elected or appointed.

## **Section 2.9 Completion of the Amalgamation**

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

## **Section 2.10 Exchange of Shares**

At the Effective Time and in consequence of the Amalgamation:

- (a) each Miramis Shareholder who is not a Miramis Dissenting Shareholder will receive one fully paid and non-assessable CCC Share in exchange for each Miramis Share held by such holder immediately prior to the Effective Time at a deemed price of \$0.03 per CCC Share issued, which CCC Shares will be subject to the 120 Day Escrow, and immediately thereafter the Miramis Shares will be cancelled without any repayment of capital in respect thereof;
- (b) the Subco Shares will be cancelled and replaced by fully paid and non-assessable Amalco Shares on the basis of one Amalco Share for each Subco Share;
- (c) in consideration for CCC's issuance of CCC Shares referenced in Section 2.10(a), Amalco shall issue to CCC one Amalco Share for each CCC Share issued by CCC to Miramis Shareholders under Section 2.10(a);
- (d) each Miramis Dissenting Shareholder will cease to have any rights as a shareholder other than the right to be paid the fair value of the Miramis Dissent Shares held by the Miramis Dissenting Shareholder in accordance with Sections 237-247 of the BCBCA;
- (e) CCC shall add to the stated capital account maintained in respect of the CCC Shares an amount equal to the paid-up capital for purposes of the Tax Act of the Miramis Shares (less the paid-up capital of any Miramis Dissent Shares) immediately before the Effective Time; and
- (f) the aggregate stated capital maintained in respect of the Amalco Shares issued pursuant to the Amalgamation shall be the aggregate of the paid-up capital for the purposes of the Tax Act of the Subco Shares and the Miramis Shares (less the paid-up capital of any Miramis Dissent Shares) immediately before the Effective Time.

## **Section 2.11 Share Certificates**

On the Amalgamation Effective Date:

- (a) The register of transfers of Miramis Shares will be closed;
- (b) Other than Miramis Dissenting Shareholders, the Miramis Shareholders shall cease to be Miramis Shareholders and shall be deemed to be the registered holders of CCC Shares to which they are entitled calculated in accordance with the provisions hereof;

- (c) CCC will issue or cause to be issued certificates (if applicable), direct registration statements, or electronic positions within CDS representing the appropriate number of CCC Shares issuable to the former Miramis Shareholders (other than Miramis Dissenting Shareholders) by:
- (i) depositing such CCC Shares with the Depository and/or the electronic positions representing such CCC Shares with CDS, as applicable, to satisfy the consideration issuable to such Miramis Shareholders; and
  - (ii) as soon as reasonably practicable after the Amalgamation Effective Date, causing the Depository to forward to, or hold for pick-up by, each former Miramis Shareholder that submitted a duly completed letter of transmittal to the Depository, together with the certificate(s), if any, representing the Miramis Shares held by such Miramis Shareholder or such other evidence of ownership of such Miramis Shares as is satisfactory to the Depository, acting reasonably,
    - (A) the certificates representing the CCC Shares to which such Miramis Shareholder is entitled, or
    - (B) direct registration statement or confirmation of a non-certificated electronic position transfer in CDS representing the CCC Shares to which such Miramis Shareholder is entitled.

#### **Section 2.12 CCC Guarantee**

CCC hereby unconditionally and irrevocably guarantees the due and punctual performance by Subco of each and every covenant and obligation of Subco arising under the Amalgamation. CCC hereby agrees that Miramis shall not have to proceed first against Subco before exercising its rights under this guarantee against CCC.

#### **Section 2.13 Rights of Dissent for CCC**

As the sole shareholder of Subco, CCC may exercise rights of dissent (the "**Dissent Rights**") in respect of the Amalgamation pursuant to, in the manner set forth in, and in strict compliance with Section 242 of the BCBCA. Having full notice and knowledge of the Dissent Rights and the details of the Amalgamation, CCC hereby irrevocably waives its Dissent Rights in respect of the Amalgamation in accordance with Section 239 of the BCBCA.

#### **Section 2.14 Rights of Dissent for Miramis Shareholders**

- (a) The Miramis Shareholders may exercise Dissent Rights in respect of the Amalgamation pursuant to, in the manner set forth in, and in strict compliance with Section 242 of the BCBCA. The Miramis Shareholders who duly exercise their Dissent Rights with respect to their Miramis Shares (the "**Miramis Dissent Shares**"), will:
- (i) if they are ultimately entitled to be and are paid fair value for their Miramis Dissent Shares by Miramis, be deemed to have transferred their Miramis Dissent

Shares to Miramis immediately prior to the Effective Time for cancellation without any repayment of capital in respect thereof and the certificates representing the same will cease to represent any right or claim of any nature or kind; or

(ii) if they are not ultimately entitled, for any reason, to be paid fair value for their Miramis Dissent Shares, be deemed to have participated in the Amalgamation on the same basis as a Miramis Shareholder who did not exercise the Dissent Rights, and will receive CCC Shares in exchange for their Miramis Shares on the same basis as every other Miramis Shareholder in accordance with Section 2.10(a).

- (b) Miramis will provide prompt notice to CCC of any Miramis Shareholder's exercise or purported exercise of Dissent Rights.
- (c) In no circumstances will CCC, Miramis or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of those Miramis Shares in respect of which such Dissent Rights are sought to be exercised. For greater certainty, in no case will CCC, Miramis or any other Person be required to recognize Miramis Dissenting Shareholders as holders of Miramis Shares after the Effective Time, and the names of such Miramis Dissenting Shareholders will be deleted from the central securities register of Miramis as of the Effective Time. In addition to any other restrictions under the BCBCA, Miramis Shareholders who vote, or who have instructed a proxyholder to vote, in favour of the Amalgamation Resolution shall be deemed to have not exercised Dissent Rights in respect of such Miramis Shares.

### **ARTICLE 3** **REPRESENTATIONS AND WARRANTIES**

#### **Section 3.1 Representations, Warranties and Covenants of CCC and Subco**

CCC and Subco jointly and severally represent, warrant and covenant to Miramis as follows, and acknowledge that Miramis is relying upon such representations, warranties and covenants in connection with the matters contemplated by this Agreement:

- (a) each of CCC and Subco has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
- (b) CCC is duly incorporated under the BCBCA, is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (c) Subco is duly incorporated under the BCBCA, is currently in good standing, and not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (d) the CCC Shares are listed and quoted for trading on the CSE;
- (e) Subco is not a reporting issuer in any jurisdiction and no Subco Shares are listed or quoted on any stock exchange or stock trading system;



- (f) CCC is a reporting issuer in British Columbia, Alberta and Ontario and is in compliance with its timely and continuous disclosure obligations under the securities laws of the Provinces of British Columbia, Alberta, and Ontario and the policies of the CSE in all material respects and, without limiting the generality of the foregoing, there has not occurred any “material change” (as defined under applicable securities legislation) which has not been publicly disclosed on a non-confidential basis and, except as may have been corrected by subsequent disclosure, all the statements set forth in the CCC Disclosure Documents were true, correct, and complete in all material respects and did not contain any misrepresentation as of the date of such statements and CCC has not filed any confidential material change reports since the date of such statements which remains confidential as at the date hereof;
- (g) the authorized share capital of CCC consists of an unlimited number of CCC Shares. As of the date of this Agreement there are: (i) 58,734,758 CCC Shares validly issued and outstanding as fully-paid and non-assessable shares of CCC; (ii) 8,480,000 CCC Options outstanding providing for the issuance of 8,480,000 CCC Shares upon the exercise thereof; (iii) 38,576,924 CCC Warrants outstanding providing for the issuance of 38,656,923 CCC Shares upon the exercise thereof; and (iv) 53,333 CCC Finder Warrants outstanding providing for the issuance of up to 79,999 CCC Shares upon the exercise of the CCC Finder Warrants and the CCC Share purchase warrants comprising the CCC Finder Units;
- (h) the CCC Shares to be issued to Miramis Shareholders shall be issued as fully paid and non-assessable common shares in the capital of CCC, free and clear of any and all encumbrances, liens, charges, demands of whatsoever nature;
- (i) the authorized share capital of Subco is an unlimited number of Subco Shares, of which one (1) Subco Share is validly issued and outstanding as a fully-paid and non-assessable share of Subco as at the date hereof which are all held by CCC;
- (j) other than the securities referred to in Section 3.1(g) and as otherwise provided in this Agreement there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of CCC (as that term is defined in the Securities Act) and CCC has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by CCC of any CCC Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any CCC Shares, other than as may arise in connection with the Quesnel Option;
- (k) there are no outstanding actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of CCC) pending or, to the knowledge of CCC, threatened by or against CCC, at law or in equity, or before or by any Governmental Authority and CCC is not be aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;
- (l) this Agreement is a binding agreement on CCC and Subco, enforceable against each of them in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency,

reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity;

- (m) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the Material Contracts and the Constatng Documents of CCC, director or shareholder resolutions of CCC, any agreement or instrument to which CCC is a party or by which CCC is bound, or any order, decree, statute, regulation, covenant or restriction applicable to CCC;
- (n) neither CCC nor Subco has any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against CCC nor Subco of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities disclosed or reflected in the CCC Financial Statements or incurred in the ordinary course of business following the dates of the CCC Financial Statements;
- (o) the CCC Financial Statements have been prepared in accordance with IFRS and are based on the books and records of CCC and fairly present the financial condition of CCC as at the dates thereof and the results of the operations for such periods;
- (p) neither CCC nor Subco has outstanding Taxes due and payable and there exist no facts or circumstances which may reasonably be expected to result in the issuance of assessment or reassessment of Tax;
- (q) CCC has or will on a timely basis prepare and file all Tax Returns required to be filed by it prior to the date hereof and such returns and documents will be complete and correct. CCC has no knowledge of any contingent Tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any Tax Returns. Complete and correct copies of all such returns and other documents filed in respect of the last three fiscal years ending prior to the date hereof have been provided to Miramis prior to the date hereof;
- (r) the Corporate Records of CCC are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in material compliance with all Applicable Laws and with the Constatng Documents of CCC, as applicable. Without limiting the generality of the foregoing, in respect of the Corporate Records of CCC (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders and all such resolutions were properly passed, (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any Tax payable in connection with the transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;

- (s) no proceedings have been taken, are pending or authorized by CCC or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of CCC;
- (t) as of the date hereof, neither CCC nor Subco has any debts or obligations other than those disclosed in its accounts, the CCC Financial Statements or for professional fees accrued but not yet invoiced and has granted no general security over its assets or security in any particular asset;
- (u) as at the date hereof, there are no reasonable grounds for believing that any creditor of CCC or Subco will be prejudiced by the Amalgamation;
- (v) as at the date hereof, CCC has no subsidiaries other than the CCC Subsidiaries;
- (w) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of CCC or any instruments binding on its assets:
  - (i) which would preclude CCC from entering into this Agreement;
  - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon CCC;
  - (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which CCC is a party or to purchase any of CCC's or Amalco's assets; or
  - (iv) which would impose restrictions on the ability of Amalco:
    - (A) to carry on any business which it might choose to carry on within any geographical area;
    - (B) to acquire property or dispose of its property and assets as an entirety;
    - (C) to pay dividends, redeem shares or make other distributions to its shareholders;
    - (D) to borrow money or to mortgage and pledge its property as security therefore; or
    - (E) to change its corporate status;
- (x) CCC is conducting and has always conducted its business in compliance with all Applicable Laws, other than acts of non-compliance which, individually or in aggregate, are not material, CCC is not aware of and has not received any order or directive relating to any breach of any applicable environmental or health and safety Law by CCC;
- (y) CCC is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Person, other than as set out in the CCC Financial Statements and herein;

- (z) CCC, through ISAAC, is the owner of a 100% registered and beneficial right, title and interest in and to the Newton Property, free and clear of all Encumbrances or other claims of any third party, whether registered or unregistered and whether arising by agreement, statute or otherwise, other than the Newton NSRs, and other than the Axcap Sale, there are no outstanding rights or options to acquire or purchase the Newton Gold property or any third party royalties, net profits interests or similar interests relating to the Newton Property except as disclosed herein;
- (aa) all information supplied by CCC or its representatives to Miramis in the course of Miramis's due diligence review in respect of the transactions contemplated by this Agreement, is accurate and correct in all material respects; and
- (bb) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to Miramis in seeking full information as to CCC and Subco and their assets, liabilities and business.

### **Section 3.2 Representations and Warranties of Miramis**

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

- (a) it has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
- (b) it is duly incorporated under the BCBCA and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (c) Miramis is a reporting issuer in British Columbia and Alberta and is in compliance with its timely and continuous disclosure obligations under the securities laws of the Provinces of British Columbia and Alberta in all material respects and, without limiting the generality of the foregoing, there has not occurred any "material change" (as defined under applicable securities legislation) which has not been publicly disclosed on a non-confidential basis and, except as may have been corrected by subsequent disclosure, all the statements set forth in the Miramis Disclosure Documents were true, correct, and complete in all material respects and did not contain any misrepresentation as of the date of such statements and Miramis has not filed any confidential material change reports since the date of such statements which remains confidential as at the date hereof;
- (d) no Miramis Shares are listed or quoted on any stock exchange or stock trading system;
- (e) no more than ten percent of the outstanding Miramis Shares are held by US residents as defined under the United States Securities Act of 1933, as amended;
- (f) the authorized share capital of Miramis consists of an unlimited number of Miramis Shares. As of the date of this Agreement there are: (i) 23,843,411 Miramis Shares validly issued and

outstanding as fully-paid and non-assessable shares of Miramis; and (ii) 464,632 Miramis Broker Warrants outstanding providing for the issuance of 464,632 Miramis Shares upon the exercise thereof;

- (g) other than the securities referred to in Section 3.2(f) and as otherwise provided in this Agreement, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of Miramis (as that term is defined in the Securities Act) and Miramis has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Miramis of any Miramis Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Miramis Shares;
- (h) except for CCC's right under this Agreement and the holders of the Miramis Broker Warrants, no Person has any written or oral agreement, option or warrant or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming such for (A) the purchase or acquisition of any of the Miramis Shares or any of the shares of any of its subsidiaries, or (B) the purchase, subscription, allotment or issuance of any unissued shares or other securities in the capital of Miramis;
- (i) as at the date hereof, Miramis has one wholly owned subsidiary, Miramis HoldCo., a company formed under the laws of British Columbia;
- (j) there are no outstanding actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Miramis) pending or, to the knowledge of Miramis, threatened by or against Miramis, at law or in equity, or before or by any Governmental Authority and Miramis is not be aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;
- (k) this Agreement is a binding agreement on Miramis, enforceable against it in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity;
- (l) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the Material Contracts, the Constating Documents of Miramis, director or shareholder resolutions of Miramis, any agreement or instrument to which Miramis is a party or by which Miramis is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Miramis;
- (m) Miramis is not in material default under any Material Contract to which it is a party and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Material Contract by Miramis, as applicable. Each Material Contract is in full force and effect, unamended by written or oral agreement, and Miramis is entitled to the full benefit and advantage of each Material Contract in accordance with its terms. Miramis has not received any notice of a default by Miramis or its subsidiaries, as

applicable, or a dispute between Miramis and any other party in respect of any Material Contract;

- (n) Miramis has no liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against Miramis of any liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than liabilities disclosed or reflected in the Miramis Financial Statements or incurred in the ordinary course of business following the dates of the Miramis Financial Statements;
- (o) the Miramis Financial Statements have been prepared in accordance with IFRS and are based on the books and records of Miramis and fairly present the financial condition of Miramis as at the dates thereof and the results of the operations for such periods;
- (p) as of the date hereof, Miramis has no debts or obligations other than those disclosed in its accounts, the Miramis Financial Statements or for professional fees accrued but not yet invoiced and has granted no general security over its assets or security in any particular asset;
- (q) the Corporate Records of Miramis are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in material compliance with all Applicable Laws and with the Constatting Documents of Miramis, as applicable. Without limiting the generality of the foregoing, in respect of the Corporate Records of Miramis (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders and all such resolutions were properly passed, (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any Tax payable in connection with the transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;
- (r) no proceedings have been taken, are pending or authorized by Miramis or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of Miramis;
- (s) as at the date hereof there are no reasonable grounds for believing that any creditor of Miramis will be prejudiced by the Amalgamation;
- (t) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of Miramis or any instruments binding on their assets:
  - (i) which would preclude Miramis from entering into this Agreement;
  - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Miramis;

- (iii) which would give a third party, as a result of the transactions contemplated in this Agreement, the right to terminate any material agreement to which Miramis is a party or to purchase any of Miramis's or Amalco's assets; or
- (iv) which would impose restrictions on the ability of Amalco:
  - (A) to carry on any business which it might choose to carry on within any geographical area;
  - (B) to acquire property or dispose of its property and assets as an entirety;
  - (C) to pay dividends, redeem shares or make other distributions to its shareholders;
  - (D) to borrow money or to mortgage and pledge its property as security therefore; or
  - (E) to change its corporate status;
- (u) Miramis is conducting and has always conducted its business in compliance with all Applicable Laws, other than acts of non-compliance which, individually or in aggregate, are not reasonably expected to have any Material Adverse Effect. Miramis is not aware of and has not received any order or directive relating to any breach of any applicable environmental or health and safety law by Miramis;
- (v) Miramis is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Person, other than as set out in the Miramis Financial Statements;
- (w) as at the date hereof, Miramis has no full or part-time employees, and three (3) independent contractors or other non-employees who supply their services under personal services contracts (whether written or oral);
- (x) pursuant to the Nicola East Option Agreement, Miramis HoldCo has an option to earn a 100% interest in the Nicola East Property, subject to the terms and conditions of the Nicola East Option Agreement, and as at the date hereof the Nicola East Option Agreement is in full force and effect and unamended;
- (y) all information supplied by Miramis or its representatives to CCC in the course of CCC's due diligence review in respect of the transactions contemplated by this Agreement, is accurate and correct in all material respects; and
- (z) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to CCC or Subco in seeking full information as to each of Miramis and its assets, liabilities and business.

**ARTICLE 4**  
**ACKNOWLEDGEMENTS**

**Section 4.1 Acknowledgements**

Miramis acknowledges and agrees that the CCC Shares issued to the Miramis Shareholders on Closing will be subject to the 120 Day Escrow and may be subject to resale restrictions imposed by Applicable Laws and agrees that the certificates or DRS Advice statements, as applicable, representing such CCC Shares will contain a legend or legends to that effect. Miramis covenants and agrees to use reasonable efforts to cause each Miramis shareholder, if required by Applicable Laws or the policies of any stock exchange on which CCC is then listed, or seeks to list, the CCC Shares, to execute and deliver any required escrow agreements, if applicable.

**ARTICLE 5**  
**COVENANTS**

**Section 5.1 Mutual Covenants**

From the date of this Agreement until the earlier of the Amalgamation Effective Date and the termination of this Agreement in accordance with Article 9, except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, each of the Parties shall:

- (a) carry on its business in the usual, regular and ordinary course of business consistent with its past practice, except, in the case of CCC, in connection with the Axcap Sale and the Quesnel Option;
- (b) not alter or amend its Constatng Documents as the same exist at the date of this Agreement, except as contemplated by this Agreement;
- (c) take, or cause to be taken, all action and to do, or cause to be done, all other things reasonably necessary, proper or advisable under Applicable Laws to complete the Amalgamation;
- (d) obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby;
- (e) effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Amalgamation;
- (f) oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate, the Amalgamation and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement or the consummation of the transactions contemplated hereby;



- (g) reasonably cooperate with the other Parties and their tax advisors in structuring the Amalgamation and other transactions contemplated to occur in conjunction with the Amalgamation in a tax effective manner and assist the other Parties and their tax advisors in making such investigations and enquiries with respect to such Parties in that regard, as the other Parties and its tax advisors shall consider necessary, acting reasonably;
- (h) not take any action that would render, or may reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue in any material respect, except, in the case of CCC, in connection with the Axcap Sale and the Quesnel Option;
- (i) use reasonable commercial efforts to obtain and maintain the third party approvals applicable to them and provide the same to the other Parties on or prior to the Amalgamation Effective Date;
- (j) use reasonable commercial efforts to complete the Amalgamation by the Outside Date;
- (k) except as provided in this Agreement, not amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or person or perform any act or enter into any transaction or negotiation which, in the opinion of CCC or Miramis, as applicable, acting reasonably, interferes or is inconsistent with the completion of the transactions contemplated hereby;
- (l) furnish to the other Parties such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by another Party, which information shall be true and complete in all material respects and shall not contain an untrue statement of any Material Fact or omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading and will notify the other Parties of any significant development or Material Change relating to it promptly after becoming aware of any such development or change;
- (m) promptly notify the other Parties in writing of any change in any representation or warranty provided in this Agreement, including, in the case of CCC, any change in any representation or warranty of CCC resulting from the Axcap Sale or the Quesnel Option (the “**Disclosed Changes**”), which change is or may be of such a nature as to render any representation or warranty misleading or untrue in any material respect and the Parties shall in good faith discuss with the other Parties such change in circumstances (actual, anticipated, contemplated, or to its knowledge, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Parties pursuant to Section 10.2;
- (n) from and including the date of this Agreement through to and including the date of closing of the Amalgamation, maintain their assets in good standing free and clear of all liens, charges and Encumbrances, including the payment of all fees, rentals, rates, taxes, bonds and other payments relating to the such assets, other than, in the case of CCC, any Encumbrance on the Newton Property resulting from the Axcap Sale;

- (o) from and including the date of this Agreement through to and including the date of closing of the Amalgamation, not issue or reach any agreement or understanding with any other party to issue any securities of such Party without the prior written consent of other Party except, in the case of CCC, in connection with the Quesnel Option; and
- (p) promptly notify the other Parties in writing of any material breach by such Party of any covenant, obligation or agreement contained in this Agreement.

## **Section 5.2 Access to Information and Confidentiality**

Each Party will allow the other and its respective authorized representatives, including legal counsel and consultants, access to all information, books or records relevant for the purpose of the Transaction contemplated herein. Each Party hereto agrees that all information and documents so obtained will be kept confidential and the contents thereof will not be disclosed to any Person without the prior written consent of the disclosing Party, except as otherwise provided for below, or as are required to be disclosed by Applicable Law provided that the disclosing Party is given prior notice thereof.

The foregoing does not apply to information that:

- (a) becomes generally available to the public absent any breach of the foregoing;
- (b) was available on a non-confidential basis to a Party prior to its disclosure pursuant to this Agreement; or
- (c) becomes available on a non-confidential basis from a third party who, to the knowledge of the recipient after enquiry, is not bound to keep such information confidential.

## **Section 5.3 Conduct of the Miramis Meeting**

- (a) Subject to the terms of this Agreement, Miramis agrees to convene and conduct the Miramis Meeting in accordance with its Constatng Documents and Applicable Law as soon as reasonably practicable following the date of this Agreement, and not to adjourn, postpone or cancel (or propose to adjourn, postpone or cancel) the Miramis Meeting without the prior consent of CCC (such consent not to be unreasonably withheld, conditioned or delayed) except:
  - (i) as required: for quorum purposes (in which case the Miramis Meeting will be adjourned and not postponed or cancelled), by Applicable Law, by Miramis' Constatng Documents, by valid Miramis Shareholder action (which action is not solicited or proposed by Miramis) or by a Governmental Authority;
  - (ii) as permitted by this Agreement; or
  - (iii) for an adjournment or postponement for the purpose of attempting to obtain the requisite approval of the Amalgamation Resolution.

- (b) Subject to compliance with Applicable Law, Miramis will use its commercially reasonable efforts to solicit proxies in favour of the approval of the Amalgamation Resolution.
- (c) Miramis will give notice to CCC of the Miramis Meeting.
- (d) Miramis will advise CCC as CCC may reasonably request as to the aggregate tally of the proxies received by Miramis in respect of the Amalgamation Resolution.

#### **Section 5.4 Miramis Meeting Materials**

- (a) As soon as reasonably practicable following the date hereof, Miramis will prepare and complete, in consultation with CCC, the Miramis Meeting Materials, together with any other documents required by Applicable Law in connection with the Miramis Meeting.
- (b) Miramis will ensure that the Miramis Meeting Materials comply in all material respects with Applicable Law, and, without limiting the generality of the foregoing, that the Miramis Meeting Materials will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any information furnished by CCC) and will provide Miramis Shareholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Miramis Meeting and will include the recommendation of the Miramis Board that Miramis Shareholders vote in favour of the Amalgamation Resolution.
- (c) Each of CCC and Miramis and their respective legal counsel will be given a reasonable opportunity to review and comment on the Miramis Meeting Materials and other documents related thereto before they become final, and reasonable consideration will be given to any comments made by such Party and its legal counsel, provided that all information relating solely to a Party included in the Miramis Meeting Materials will be in form and content satisfactory to such Party, acting reasonably.
- (d) CCC will timely furnish to Miramis all such information concerning CCC as may be reasonably required in the preparation of the Miramis Meeting Materials and other documents related thereto, and CCC will ensure that no such information contains any untrue statement of a material fact or omits to state a material fact required to be stated in order to make any information so furnished or any information concerning CCC not misleading in light of the circumstances in which it is disclosed.
- (e) Each Party will promptly notify the other if, at any time before the earlier of the Amalgamation Effective Date and the termination of this Agreement in accordance with its terms, it becomes aware that the Miramis Meeting Materials contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Miramis Meeting Materials, and the Parties will co-operate in the preparation of any amendment or supplement to the Miramis Meeting Materials, as required or appropriate; and Miramis will

promptly mail or otherwise publicly disseminate any amendment or supplement to the Miramis Meeting Materials to the Miramis Shareholders and, if required by Applicable Law, file the same as required under Applicable Canadian Securities Law and as otherwise required.

## **ARTICLE 6**

### **CLOSING CONDITIONS**

#### **Section 6.1 Mutual Conditions**

The respective obligations of Miramis, CCC and Subco to complete the Transaction are subject to the fulfillment of the following conditions on or before the Closing Date:

- (a) completion of due diligence to the satisfaction of the Parties;
- (b) the Amalgamation Resolution will have been approved by Miramis Shareholders, in accordance with the requirements of Applicable Law;
- (c) if applicable, receipt of CSE approval for the consummation of the Transaction and the issuance of the CCC Shares hereunder in accordance with the rules and policies of the CSE;
- (d) receipt of all other required regulatory, shareholder and third party approvals including and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction, as applicable;
- (e) the Amalgamation shall have become effective on or prior to the Outside Date;
- (f) Dissent Rights will not have been exercised with respect to the Amalgamation by Miramis Shareholders holding Miramis Shares which in the aggregate represent 5%, or more of the Miramis Shares outstanding on the record date determined by Miramis for determining Miramis Shareholders entitled to notice and to vote at the Miramis Meeting;
- (g) there will not be in force any Law, ruling, order or decree, and there will not have been any action taken under any Law or by any Governmental Authority or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Amalgamation in accordance with the terms hereof or results or could reasonably be expected to result in a judgment, order, decree or assessment of damages, directly or indirectly, relating to the Amalgamation which has, or could have, a Material Adverse Effect;
- (h) the Amalgamation Application to be filed with the Registrar, shall be in form and substance satisfactory to CCC and Miramis, acting reasonably;
- (i) all other consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Authority, the failure of which to obtain or the expiry of which would or could have a Material Adverse Effect or materially impede the

completion of the Transaction, will have been obtained or received on terms that are reasonably satisfactory to each Party hereto; and

- (j) this Agreement will not have been terminated pursuant to Article 9 hereof.

The foregoing conditions are for the mutual benefit of the Parties hereto and may be waived in respect of a Party hereto, in whole or in part, by such Party hereto in writing at any time. If any of such conditions will not be complied with or waived as aforesaid on or before the Closing Date or, if earlier, the date required for the performance thereof, then, subject to Article 9 hereof, any Party hereto may terminate this Agreement by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such rescinding Party hereto.

## **Section 6.2 CCC Conditions**

The obligation of CCC to complete the Transaction contemplated herein is subject to the fulfillment of the following additional conditions on or before the Closing Date or such other time as is specified below:

- (a) the Miramis Board will have adopted all necessary resolutions and all other necessary corporate action will have been taken by Miramis to permit the consummation of the Transaction;
- (b) no Material Adverse Change having occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Miramis, financial or otherwise, between the date hereof and the Closing Date, except for a decrease in Miramis' working capital position reasonably necessary to facilitate the Transaction;
- (c) there being no legal proceedings or regulatory actions or proceedings against Miramis as of the Closing Date which may have a Material Adverse Effect on Miramis, its business, assets or financial condition;
- (d) there being no inquiry or investigation (whether formal or informal) in relation to Miramis or its directors or officers commenced or threatened by any securities commission or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on Miramis, its business, assets or financial condition;
- (e) all representations and warranties of Miramis under this Agreement shall be true and correct as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change in respect of Miramis and would not, or would not reasonably be expected to, materially delay completion of the Amalgamation and the transactions otherwise contemplated hereby;

- (f) all covenants of Miramis under this Agreement to be performed on or before the Closing Date shall have been performed by Miramis in all material respects;
- (g) other than the Miramis Broker Warrants, there will not be any outstanding warrants or options to purchase, or securities convertible into, Miramis Shares;
- (h) Miramis shall not have any liabilities on the Closing Date, other than liabilities disclosed or reflected in the Miramis Financial Statements or incurred in the ordinary course of business following the dates of the Miramis Financial Statements or liabilities solely consisting of reasonably accrued legal and accounting expenses incurred in connection with the Transaction;
- (i) Miramis shall provide CCC with resignation and releases, in form and substance satisfactory to CCC, effective on the Closing Date for each director and officer of Miramis who will not continue to act as a director or officer of Amalco, as applicable, following the Closing; and
- (j) Miramis will have executed and delivered, at Closing, such customary agreements, certificates, resolutions and other closing documents as may be required by the other Parties, all in form satisfactory to the other Parties, acting reasonably.

The foregoing conditions are for the benefit of CCC and may be waived, in whole or in part, by CCC in writing at any time. If any of such conditions will not be complied with or waived by CCC on or before the Closing Date or, if earlier, the date required for the performance thereof, CCC may terminate this Agreement by written notice to Miramis and Subco in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by CCC.

### **Section 6.3 Miramis Conditions**

The obligation of Miramis to complete the Transaction contemplated herein is subject to the fulfillment of the following additional conditions on or before the Closing Date or such other time as is specified below:

- (a) the directors of CCC and the directors and shareholders of Subco will have adopted all necessary resolutions and all other necessary corporate action will have been taken by each of CCC and Subco to permit the consummation of this Agreement and the Transaction;
- (b) no Material Adverse Change having occurred in the business, results of operations, assets, liabilities, financial condition or affairs of CCC, financial or otherwise, but excluding any change resulting from the Axcap Sale or the Quesnel Option, between the date hereof and the Closing Date;
- (c) CCC will have complied with the policies of the CSE, including having completed all filing and disclosure requirements, including the receipt of approval of the CSE, if applicable, in connection with the issuance of the CCC Shares to the Miramis Shareholders and the consummation of the Transaction, in each case, in accordance with the terms and conditions of this Agreement;

- (d) there being no legal proceedings or regulatory actions or proceedings against CCC as of the Closing Date which may have a Material Adverse Effect on CCC, its business, assets or financial condition;
- (e) there being no inquiry or investigation (whether formal or informal) in relation to CCC or its directors or officers commenced or threatened by any securities commission or official of any applicable stock exchange or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on CCC, its business, assets or financial condition;
- (f) all representations and warranties of CCC under this Agreement shall be true and correct as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change in respect of CCC or would not reasonably be expected to, materially delay completion of the Amalgamation and the transactions otherwise contemplated hereby, and except as such representations and warranties have been modified as a result of the Disclosed Changes;
- (g) all covenants of CCC under this Agreement to be performed on or before the Closing Date shall have been performed by CCC in all material respects;
- (h) there being no other issued and outstanding securities in the capital of CCC other than as disclosed herein, and any securities of CCC issued in connection with the Quesnel Option;
- (i) on the Closing Date, subject to the completion of the Axcap Sale, CCC, through ISACC, shall have 100% registered and beneficial right, title and interest in and to the Newton Property, free and clear of all Encumbrances or other claims of any third party, whether registered or unregistered and whether arising by agreement, statute or otherwise, other than the Newton NSRs;
- (j) CCC will have taken all steps required to issue the CCC Shares to the Miramis Shareholders, as consideration for the Miramis Shares, as fully paid and non-assessable common shares in the capital of the CCC, free and clear of any and all Encumbrances and demands of whatsoever nature;

(k) on Closing, the directors and officers of CCC shall be:

<b>Name of Director or Officer</b>	<b>Position</b>
Morgan Good	Chief Executive Officer, President and Director
Alastair Brownlow	Chief Financial Officer
Jeremy Hanson	VP of Exploration and Director
Leighton Bocking	Director
Andrew Brown	Corporate Secretary

(l) on Closing, the directors of Amalco shall be as set forth under Section 2.8; and

(m) CCC and Subco will have executed and delivered, or cause to be executed and delivered, at the closing of the Transaction, such customary agreements, certificates, resolutions and other closing documents as may be required by the other Parties, all in form satisfactory to the other Parties, acting reasonably.

The foregoing conditions are for the benefit of Miramis and may be waived, in whole or in part, by Miramis in writing at any time. If any of such conditions will not be complied with or waived by Miramis on or before the Closing Date or, if earlier, the date required for the performance thereof, then, subject to Article 9 hereof, Miramis may, in addition to other remedies it may have at law or equity, terminate this Agreement by written notice to CCC and Subco in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Miramis.

#### **Section 6.4 Consents-Merger**

The obligations of Miramis, Subco and CCC to obtain the consents referred to in this Article 6 will not survive the completion of the Transaction, and will merge without recourse between the Parties upon such completion.

### **ARTICLE 7 SURVIVAL**

#### **Section 7.1 Survival**

The covenants, representations and warranties of each of the Parties hereto as set out herein shall not survive the completion of the Amalgamation and shall expire and be terminated on the earlier of the Closing Date and the date on which this Agreement is terminated in accordance with its terms.

### **ARTICLE 8 CLOSING**

The Closing will take place on the Closing Date in the offices of DuMoulin Black LLP located at 1111 West Hastings Street, 15th Floor, Vancouver, British Columbia, V6E 2J3, counsel to CCC, or at any other place as the Parties may agree.



**ARTICLE 9**  
**TERM AND TERMINATION**

**Section 9.1 Term**

This Agreement shall be effective from the date hereof until the earlier of the Closing Date and the termination of this Agreement in accordance with its terms.

**Section 9.2 Termination**

- (a) This Agreement may be terminated at any time prior to the Closing Date:
- (i) by mutual written agreement of the Parties;
  - (ii) by any Party if the Amalgamation Effective Date has not occurred by the Outside Date, provided that no Party shall be entitled to terminate the Agreement under this Section 9.2(a)(ii) if such Party's material breach or violation of any representation, warranty, covenant, obligation or agreement under this Agreement has been the cause of or has resulted in the Amalgamation Effective Date not having occurred by the Outside Date;
  - (iii) by Miramis if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of CCC or Subco set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.1 or Section 6.3 not to be satisfied, or such conditions are incapable of being satisfied by the Closing Date, as reasonably determined by Miramis; provided, however, that Miramis is not then in breach of this Agreement so as to cause any condition in Section 6.1 or Section 6.3 not to be satisfied; or
  - (iv) by CCC, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Miramis set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.1 or Section 6.2 not to be satisfied, or such conditions are incapable of being satisfied by the Closing Date as reasonably determined by CCC; provided, however, that CCC is not then in breach of this Agreement so as to cause any condition in Section 6.1 or Section 6.2 not to be satisfied.
- (b) For greater certainty, this Agreement may not be terminated unilaterally by Subco.

**ARTICLE 10**  
**GENERAL**

**Section 10.1 Time of Essence**

Time is of the essence in all respects of this Agreement.

## Section 10.2 Notices

Any Notice must be in writing and either:

- (a) personally delivered;
- (b) sent by prepaid, registered mail; or
- (c) sent by facsimile, e-mail or functionally equivalent electronic means of communication, charges (if any) prepaid.

Any Notice must be sent to the intended recipient at its address as follows:

to CCC at:

Carlyle Commodities Corp.  
1540 – 1075 West Georgia St., Vancouver,  
British Columbia, V6E 3C9, Canada  
Attention: Morgan Good  
E-mail address: [morgan@carlylecommodities.com](mailto:morgan@carlylecommodities.com)

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

DuMoulin Black LLP  
10th Floor – 595 Howe Street  
Vancouver, BC, V6C 2T5  
  
Attention: Justin Kates  
E-mail: [jkates@dumoulinblack.com](mailto:jkates@dumoulinblack.com)

to Miramis at:

Miramis Mining Corp.  
5803 - 1151 West Georgia Street  
Vancouver, BC, V6E 0B3  
  
Attention: Adrian Smith  
E-mail: [asmith1661@gmail.com](mailto:asmith1661@gmail.com)

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

Koffman Kalef LLP  
885 Georgia St W,  
Vancouver BC V6C 3E8  
  
Attention: Bernard Poznanski  
E-mail: [bp@kkbl.com](mailto:bp@kkbl.com)

or at any other address as any Party may from time to time advise the other by Notice given in accordance with this Section 10.2. Any Notice delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is so delivered at that Party's address, provided that if that day is not a Business Day then the Notice will be deemed to have been given and received on the next Business Day. Any Notice transmitted by facsimile or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Notice is transmitted on a day which is not a Business Day or after 4:00 p.m. (local time of the recipient), the Notice will be deemed to have been received on the next Business Day). Any Notice given by registered mail will be deemed to have been received on the fifth Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Notice must be effected by personal delivery, e-mail or functionally equivalent electronic means.

### **Section 10.3 Further Assurances**

Each Party will, at the requesting Party's cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all Governmental Entities or stock exchanges having jurisdiction over Miramis' affairs or as may be required from time to time under applicable securities legislation.

### **Section 10.4 Public Notice**

All public notices to third parties and all other announcements, press releases and publicity concerning this Agreement or the transactions contemplated by this Agreement must be jointly planned and coordinated by the Parties, and no Party to this Agreement will act unilaterally in this regard without the prior consent of the other Parties unless, and only to the extent that, disclosure is required to meet the timely disclosure obligations of any Party under securities laws or stock exchange rules in circumstances where prior consultation with the other Parties is not practicable, or the disclosure is to the Party's board of directors, senior management and its legal, accounting, financial or other professional advisers.

### **Section 10.5 Independent Legal Advice**

Each of the Parties hereby acknowledges that it has carefully read and considered and fully understands the provisions of this Agreement and, having done so, agrees that the provisions set forth in this Agreement are fair and reasonable. Each Party further acknowledges that it has had an opportunity to obtain independent advice in respect of the contents of this Agreement and it has either obtained such independent advice or waives all further rights in this respect.

### **Section 10.6 Amendment and Waiver**

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure

to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

**Section 10.7 Assignment and Enurement**

Neither this Agreement nor any right or obligation under this Agreement may be assigned by any Party without the prior consent of the other Parties. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

**Section 10.8 Severability**

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement, or the legality, validity or enforceability of that provision in any other jurisdiction.

**Section 10.9 Counterparts**

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original, and those counterparts will together constitute one and the same instrument.

**Section 10.10 Facsimile Signatures**

Delivery of this Agreement by facsimile, e-mail or functionally equivalent electronic transmission constitutes valid and effective delivery.

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**EXHIBIT "A"**

**ARTICLES OF AMALCO**

*See attached.*

*Incorporation number:* \_\_\_\_\_

**MIRAMIS MINING CORP.  
(the "Company")**

The Company has as its articles the following articles.

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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) "*Interpretation Act*" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) "legal personal representative" means the personal or other legal representative of a shareholder;
- (5) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;
- (6) "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 set out herein. 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 or inconsistency 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 Acknowledgment or Written Notice**

Unless the shares of which a shareholder is the registered owner are uncertificated shares, each shareholder is entitled, on request and at the shareholder's option, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all. Within a reasonable time after the issue or transfer of a share that is an uncertificated share, the Company must send to the shareholder a written notice containing the information required by the *Business Corporations Act*.

### **2.4 Delivery by Mail**

Any share certificate, non-transferable written acknowledgment of a shareholder's right to obtain a share certificate or written notice of the issue or transfer of an uncertificated share may be sent to the shareholder by mail 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, acknowledgement or written notice 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 acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

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

### **2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment**

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, provided such person has complied with the requirements of the *Business Corporations Act*.

### **2.7 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more 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 as a fee to the Company for the issuance of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any, determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

## **2.9 Recognition of Trusts**

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

## **3. ISSUE OF SHARES**

### **3.1 Directors Authorized**

Subject to the *Business Corporations Act* and the rights, if any, 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 directors in their discretion have determined that the value of the consideration received by the Company is equal to or greater than 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, convertible debentures and rights upon such terms and conditions as the directors determine, which share purchase warrants, options, convertible debentures 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 and Any Branch Securities Register**

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register and may maintain a branch securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register or any branch 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 the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

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

- (4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

For the purpose of this Article, delivery or surrender to the transfer agent or registrar which maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender 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 from time to time by the directors or the transfer agent or registrar for the class or series of share to be transferred.

## **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 certificate(s) or set out in the written acknowledgments deposited with the instrument of transfer or, if the shares are uncertificated shares, then all of the uncertificated shares registered in the name of the shareholder:

- (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 acknowledgment of a right to obtain a share certificate for such shares.

## **5.6 Transfer Fee**

There must be paid as a fee 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 of the shareholder, or, in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of the shareholder, the directors may require a declaration of transmission made by the legal personal representative stating the particulars of the transmission, 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 of a shareholder has the same rights, privileges and obligations with respect to the shares as were 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. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

## **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 resolution of the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

### **7.2 Purchase When Insolvent**

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

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

### **7.3 Redemption of Shares**

If the Company proposes to redeem some but not all of the shares of any class, the directors may, subject to any special rights and restrictions attached to such class of shares, determine the manner in which the shares to be redeemed shall be selected.

### **7.4 Sale and Voting of Purchased Shares**

If the Company retains a share which it has redeemed, purchased or otherwise acquired, 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**

### **8.1 Powers of the Company**

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 the directors 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.

### **8.2 Bonds, Debentures, Debt**

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise and may, by their terms, be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

## **9. ALTERATIONS**

### **9.1 Alteration of Authorized Share Structure**

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

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
  - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
  - (d) if the Company is authorized to issue shares of a class of shares with par value:
    - (i) decrease the par value of those shares; or
    - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
  - (e) change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value; or
  - (f) alter the identifying name of any of its shares; and
- (2) by ordinary resolution otherwise alter its shares or authorized share structure;

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

### **9.2 Special Rights and Restrictions**

Subject to the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares if none of those shares have been issued; and
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above if any of the shares of the class or series of shares have been issued,

and alter its Notice of Articles and Articles accordingly.

### **9.3 Change of Name**

The Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name and may, by directors' resolution or ordinary resolution, in each case as determined by the directors, adopt or change any translation of that name.

### **9.4 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 directors' resolution or by ordinary resolution, in each case as determined by the directors, 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 incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place as may be determined by a resolution of 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 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, at any time, call a meeting of shareholders.

### **10.4 Location of Meetings of Shareholders**

A meeting of the Company may be held:

- (1) in the Province of British Columbia;
- (2) at another location outside British Columbia if that location is:
  - (a) approved by resolution of the directors before the meeting is held; or
  - (b) approved in writing by the Registrar of Companies before the meeting is held.



### **10.5 Notice for Meetings of Shareholders**

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

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

### **10.6 Notice of Resolution to which Shareholders May Dissent**

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution 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; or
- (2) otherwise, 10 days.

### **10.7 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; or
- (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.

### **10.8 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.

#### **10.9 Failure to Give Notice and Waiver of Notice**

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

#### **10.10 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting or a circular prepared in connection with the meeting must:

- (1) state the general nature of the special business; and
- (2) 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:
  - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
  - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

### **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;
- (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; and
- (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 general 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 one person present or represented by proxy.

### **11.4 Persons Entitled to Attend Meeting**

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

### **11.5 Requirement of Quorum**

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

### **11.6 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.

#### **11.7 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Article 11.6(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the meeting shall be terminated.

#### **11.8 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.

#### **11.9 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president willing to act as chair of the meeting or present within 15 minutes after the time set for holding 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 a director, officer or corporate counsel to be chair of the meeting or if none of the above persons are present or if they decline to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

#### **11.10 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.

#### **11.11 Notice of Adjourned Meeting**

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

#### **11.12 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 any shareholder entitled to vote who is present in person or by proxy.

#### **11.13 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 11.12, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

#### **11.14 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.

#### **11.15 Casting Vote**

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

#### **11.16 Manner of Taking Poll**

Subject to Article 11.17, 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.

#### **11.17 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.

### **11.18 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.

### **11.19 Casting of Votes**

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

### **11.20 No Demand for Poll on Election of Chair**

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

### **11.21 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.

### **11.22 Retention of Ballots and Proxies**

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

## **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 of shareholders, 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 of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

### **12.4 Legal Personal Representatives as Joint Shareholders**

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

### **12.5 Representative of a Corporate Shareholder**

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

- (1) for that purpose, the instrument appointing a representative must be received:
  - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
  - (b) by the chair of the meeting at the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned 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. Notwithstanding the foregoing, a corporation that is a shareholder may appoint a proxy holder.

## **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 may, by proxy, appoint up to two 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 any adjourned meeting; or
- (2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or any adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.



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

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

**12.12 Form of Proxy**

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

*[name of company]*  
(the "Company")

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

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

\_\_\_\_\_  
Signed [month, day, year]

\_\_\_\_\_  
[Signature of shareholder]

\_\_\_\_\_  
[Name of shareholder—printed]

**12.13 Revocation of Proxy**

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

#### **12.14 Revocation of Proxy Must Be Signed**

An instrument referred to in 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;
- (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 elected by ordinary resolution (whether or not previous notice of the resolution was given); and
  - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
  - (a) the number of directors elected 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, subject to Article 14.8, 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 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) those directors whose term of office expires at the annual general meeting 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) when his or her successor is elected or appointed; and
- (4) when 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 calling 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. ALTERNATE DIRECTORS**

#### **15.1 Appointment of Alternate Director**

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

#### **15.2 Notice of Meetings**

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

#### **15.3 Alternate for More Than One Director Attending Meetings**

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

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

#### **15.4 Consent Resolutions**

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

#### **15.5 Alternate Director Not an Agent**

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

#### **15.6 Revocation of Appointment of Alternate Director**

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

#### **15.7 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

#### **15.8 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from

the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

## **16. POWERS AND DUTIES OF DIRECTORS**

### **16.1 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.

### **16.2 Appointment of Attorney of Company**

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

## **17. INTERESTS OF DIRECTORS AND OFFICERS**

### **17.1 Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the *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*.

### **17.2 Restrictions on Voting by Reason of Interest**

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

### **17.3 Interested Director Counted in Quorum**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or



transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

#### **17.4 Disclosure of Conflict of Interest or Property**

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

#### **17.5 Director Holding Other Office in the Company**

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

#### **17.6 No Disqualification**

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

#### **17.7 Professional Services by Director or Officer**

Subject to the *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.

#### **17.8 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *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.

### **18. PROCEEDINGS OF DIRECTORS**

#### **18.1 Meetings of Directors**

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

## **18.2 Voting at Meetings**

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

## **18.3 Chair of Meetings**

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

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board or if designated by the chair, the president, a director or other officer; or
- (3) any other director or officer chosen by the directors if:
  - (a) neither the chair of the board nor the president 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 is willing to chair the meeting; or
  - (c) the chair of the board and the president have advised the secretary, if any, or any other director, that they will not be present at the meeting.

## **18.4 Meetings by Telephone or Other Communications Medium**

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

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this 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.

## **18.5 Calling of Meetings**

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

### **18.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to 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.

### **18.7 When Notice Not Required**

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

- (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.

### **18.8 Meeting Valid Despite Failure to Give Notice**

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

### **18.9 Waiver of Notice of Meetings**

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

### **18.10 Quorum**

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

### **18.11 Validity of Acts Where Appointment Defective**

Subject to the *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.

### **18.12 Consent Resolutions in Writing**

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

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

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

## **19. EXECUTIVE AND OTHER COMMITTEES**

### **19.1 Appointment and Powers of Executive Committee**

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

- (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.

### **19.2 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.

### **19.3 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 and in such manner and form as the directors may require.

### **19.4 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.

### **19.5 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.

## **20. OFFICERS**

### **20.1 Directors May Appoint Officers**

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

### **20.2 Functions, Duties and Powers of Officers**

The directors may, for each officer:

- (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.

### **20.3 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.

### **20.4 Remuneration and Terms of Appointment**

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

## **21. INDEMNIFICATION**

### **21.1 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;

(3) "expenses" has the meaning set out in the *Business Corporations Act*.

### **21.2 Mandatory Indemnification of Eligible Parties**

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. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

### **21.3 Indemnification**

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

### **21.4 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 or, if applicable, any former *Companies Act* or former Articles, does not invalidate any indemnity to which he or she is entitled under this Part.

### **21.5 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;  
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.

## **22. DIVIDENDS**

### **22.1 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.

### **22.2 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.

### **22.3 No Notice Required**

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

### **22.4 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.

### **22.5 Manner of Paying Dividend**

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

### **22.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under 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 money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

### **22.7 When Dividend Payable**

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



## **22.8 Dividends to be Paid in Accordance with Number of Shares**

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

## **22.9 Receipt by Joint Shareholders**

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

## **22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

## **22.11 Fractional Dividends**

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

## **22.12 Payment of Dividends**

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

## **22.13 Capitalization of Retained Earnings or Surplus**

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

## **23. ACCOUNTING RECORDS AND AUDITORS**

### **23.1 Recording of Financial Affairs**

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

## **23.2 Inspection of Accounting Records**

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

## **23.3 Remuneration of Auditors**

The directors may set the remuneration of the auditors. If the directors so decide, the remuneration of the auditors will be determined by the shareholders.

## **24. NOTICES**

### **24.1 Method of Giving Notice**

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record (for the purposes of this Article 24, a "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; or
  - (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; or
  - (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) making the record available for public electronic access in accordance with the procedures referred to as "notice-and-access" under National Instrument 54-101 and National

Instrument 51-102, as applicable, of the Canadian Securities Administrators, or in accordance with any similar electronic delivery or access method permitted by applicable securities legislation from time to time; or

- (6) physical delivery to the intended recipient.

#### **24.2 Deemed Receipt**

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

- (1) 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;
- (2) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the date it was e-mailed; and
- (4) made available for public electronic access in accordance with the "notice-and-access" or similar delivery procedures referred to in Article 24.1(5) is deemed to be received by a person on the date it was made available for public electronic access.

#### **24.3 Certificate of Sending**

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

#### **24.4 Notice to Joint Shareholders**

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

#### **24.5 Notice to Legal Personal Representatives and Trustees**

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

- (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.

#### **24.6 Undelivered Notices**

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

### **25. SEAL**

#### **25.1 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.

#### **25.2 Sealing Copies**

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

#### **25.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *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 such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures

or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## **26. PROHIBITIONS**

### **26.1 Definitions**

In this Article 26:

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

### **26.2 Application**

Article 26.3 does 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.

### **26.3 Consent Required for Transfer of Shares or Designated Securities**

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