



**NOTICE OF  
ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS  
&  
INFORMATION CIRCULAR  
NOVEMBER 26, 2020**



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

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**NOTICE IS HEREBY GIVEN** that the 2020 Annual General and Special Meeting (the "Meeting") of Shareholders of District Copper Corp. (the "Corporation") will be held at Suite 217-179 Davie Street, Vancouver, British Columbia on November 26, 2020 at the hour of 11:00 a.m. for the following purposes:

- a) To receive and consider the report of the directors, the audited financial statements of the Corporation for the period ended October 31, 2019, and the report of the auditors thereon;
- b) To set the number of directors to 3;
- c) To elect directors for the ensuing year;
- d) To appoint auditors for the ensuing year at a remuneration to be fixed by the directors;
- e) To consider and, if deemed advisable, to approve a special resolution, with or without variation, authorizing and approving the continuance of the Company out of the federal jurisdiction under the *Canada Business Corporations Act* into the provincial jurisdiction of British Columbia under the *Business Corporations Act* (British Columbia), on the basis set forth in the Management Information Circular which accompanies this Notice, and pursuant to such continuance, the Company be authorized to adopt new Articles in the form set out in Schedule "A" of the Circular;
- f) To consider and if thought fit to pass an ordinary resolution in order to comply with the requirements of the TSX Venture Exchange which would authorize the Company to dispose of a portion or all of its interests in and to the Stony Lake Claims located in the Province of Newfoundland as provided for under the terms of a Mineral Property Option Agreement dated July 29, 2020.
- g) To consider and, if thought fit, to approve the Corporation's proposed rolling stock option plan subject to the policies of the TSX Venture Exchange; and
- h) To transact such other business as may be properly transacted at the Meeting or at any adjournment thereof.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting.

### **CAUTION CONCERNING COVID-19 OUTBREAK**

At the date of this Notice and the accompanying information circular ("**Circular**") it is the intention of the Corporation to hold the Meeting at the location stated above. We are continuously monitoring development of the coronavirus disease ("**COVID-19**") outbreak. In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and **not** attend the meeting in person. Those shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada available at: <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>. We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any

other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Information Circular accompanying this Notice.

The Corporation reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons at events such as the Meeting. Should any changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of a news release, which will be filed under the Corporation's profile on SEDAR as well as on our Corporation's website at <https://districtcoppercorp.com>. We strongly recommend you check the Corporation's website prior to the Meeting for the most current information. **IN THE EVENT OF ANY CHANGES TO THE MEETING FORMAT DUE TO THE COVID-19 OUTBREAK, THE CORPORATION WILL NOT PREPARE OR MAIL AN AMENDED NOTICE, INFORMATION CIRCULAR OR MEETING MATERIALS.**

There is enclosed herewith a form of proxy for use at the Meeting. Each Shareholder of common shares of the Corporation ("**Common Shares**") who is entitled to attend and vote at the Meeting is urged to vote by proxy on matters to be considered.

Therefore, Shareholders who are unable to attend the Meeting in person are requested to read the notes accompanying the instrument of proxy and complete, date and sign the enclosed form of proxy and return it to the Company's transfer agent Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, by 11:00 a.m. (Vancouver, British Columbia time) on November 24, 2020 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the Meeting at which the proxy is to be used).

**The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is October 19, 2020 (the "Record Date"). Shareholders of the Company whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.**

**DATED** at the City of Vancouver, in the Province of British Columbia, as of the 19th day of October, 2020.

**BY ORDER OF THE BOARD OF DIRECTORS**

*"Jevin Werbes"*

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**Jevin Werbes President**



**INFORMATION  
CIRCULAR  
as at and dated October 19, 2020**

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by management (“**Management**”) of **District Copper Corp.** (the “**Corporation**”) for use at the 2020 Annual General and Special Meeting (the “**Meeting**”) of shareholders (“**Shareholders**”) of the Corporation to be held at 11:00 a.m. (Vancouver time) on Thursday, November 26, 2020 at Suite 217, 179 Davie Street, Vancouver, British Columbia for the purposes set forth in the Notice of the Meeting.

**CAUTION CONCERNING COVID-19 OUTBREAK**

At the date of this Notice and the accompanying Circular, it is the intention of the Corporation to hold the Meeting at the location stated above in this Notice. Management is continuously monitoring developments in the current **COVID-19** outbreak. In light of the rapidly evolving public health guidelines related to COVID-19, we ask Shareholders to consider voting their shares by proxy and **not** attend the meeting in person. Those Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada available at: <https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>. We ask that Shareholders also review and follow the instructions of any regional health authorities of the Province of British Columbia, including the Vancouver Coastal Health Authority, the Fraser Health Authority and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 14 days immediately prior to the Meeting. All Shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Information Circular accompanying this Notice.

The Corporation reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 14 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation’s profile on SEDAR as well as on our Corporation website at <https://districtcoppercorp.com>. We strongly recommend you check the Corporation’s website prior to the Meeting for the most current information. **IN THE EVENT OF ANY CHANGES TO THE MEETING FORMAT DUE TO THE COVID-19 OUTBREAK, THE CORPORATION WILL NOT PREPARE OR MAIL AN AMENDED NOTICE, INFORMATION CIRCULAR OR MEETING MATERIALS.**

There is enclosed herewith a form of proxy for use at the Meeting. Each holder (“**Shareholder**”) of common shares of the Corporation (“**Common Shares**”) who is entitled to attend and vote at the Meeting is urged to vote by proxy on matters to be considered.

## PROXIES AND VOTING RIGHTS

### Management Solicitation

The solicitation of proxies by Management will be conducted primarily by mail and may be supplemented by telephone or other personal contact or by telephone by directors, officers and regular employees of the Corporation and such solicitation will be made without special compensation granted to the directors, regular officers and employees of the Corporation. The Corporation does not reimburse Shareholders, nominees or agents for costs incurred in obtaining, from the principals of such persons, authorization to execute forms of proxy, except that the Corporation has requested brokers and nominees who hold stock in their respective names to furnish this Circular and related proxy materials to their customers. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of this solicitation will be borne by the Corporation.

No person has been authorized to give any information or to make any representation other than as contained in this Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Corporation. The delivery of this Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Circular. This Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

### Registered Shareholders

If you are a registered Shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a proxy, you must complete, date and sign the proxy, and return it to Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, ON, M5J 2Y1, or to the Corporation's office, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time fixed for the Meeting, or any adjournment(s) or postponement(s) thereof

### Non-Registered Holders

**Only directly registered Shareholders whose name appears on the records of the Corporation as the registered holder of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the corporation are non-registered shareholders ("**Non-Registered Shareholders**") because the common shares of the Corporation they own are not registered in their names but instead are registered either: (a) in the name of an intermediary (an "**Intermediary**") (or their nominees) that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, trust companies, securities dealers or brokers and trustees or administrator of self-administered TFSA's, RRSP's, RRIF's, RESP's, and similar plans); or (b) in the name of a clearing agency such as The Canadian Depository for Securities Limited in Canada, of which the Intermediary is a participant. If you purchased your shares through a broker, you are likely an unregistered holder.

In accordance with securities regulatory policies, the Corporation has distributed copies of the Notice of Meeting, this Circular and form of proxy (collectively, the "Meeting Materials"), to the Intermediaries for distribution to non- registered holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders, unless the Non-Registered Shareholders have waived the right to receive them, to seek their voting instructions in advance of the Meeting. Shares held by Intermediaries can only be voted in accordance with the instructions of the Non-Registered Shareholder. The Intermediaries often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Intermediary in order to ensure that your Shares are voted at the Meeting. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- a) Be given a proxy which **has already been signed by an Intermediary** (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. This form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and **return it in accordance with the instructions provided in the proxy**; or
- b) More typically, be given a voting instruction form which **is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**Voting Instruction Form**” or “**VIF**”), which the Intermediary must follow.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

In addition, Canadian securities legislation now permits the Corporation to forward meeting materials directly to “non-objecting beneficial owners”. These materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding securities on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding shares on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Should a Non-Registered Shareholder who receives either a proxy or a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Non-Registered Shareholder should strike out the names of the persons named in the Proxy and insert the Non-Registered Shareholder’s (or such other person’s) name in the blank space provided or, in the cases of a VIF, follow the corresponding instructions on the form.

There are two kinds of beneficial owners – those who object to their name being made known to the issuers of securities which they own (called OBOs for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called NOBOs for Non-Objecting Beneficial Owners). Pursuant to NI 54- 101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs.

These Meeting Materials are being sent to both registered and non-registered owners of the Common Shares and Restricted Voting Shares. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these Meeting Materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. The Corporation intends to pay for Intermediaries to forward the Meeting Materials to OBOs.

#### **Appointment and Revocation of Proxies**

**The persons named in the accompanying form of proxy are directors of the Corporation. A shareholder desiring to appoint some other person (who need not be a shareholder) to represent**

him or her at the Meeting and any adjournment(s) or postponement(s) thereof may do so, either by striking out the printed names and inserting the desired person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and in either case delivering the completed proxy to the office of Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, ON, M5J 2Y1, or to the Corporation's office, not less than forty-eight (48) hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time fixed for the Meeting, or any adjournment(s) or postponement(s) thereof.

A registered Shareholder of the Corporation who has given a proxy may revoke the proxy by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the principal office of the Corporation at any time prior to 5:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, (ii) with the said office of Computershare Investor Services Attn: Proxy Department at any time prior to 5:00 p.m. (Vancouver time) on the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (iii) with the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a proxy or VIF may revoke a VIF or proxy that has been given to an Intermediary or to the service company that the Intermediary uses by following the instructions of the Intermediary respecting the revocation of proxies, provided that an Intermediary is not required to act on a revocation of a proxy or VIF which is not received by the Intermediary at least seven days prior to the Meeting.

### **Voting and Discretion of Proxies**

The chair of the Meeting will have the discretion to accept or reject proxies otherwise deposited.

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** The securities represented by the proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for. If the shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly.

The form of proxy confers authority upon the named proxyholder with respect to matters identified in the accompanying notice of Meeting. **If a choice with respect to such matters is not specified, it is intended that the person designated by management in the form of proxy will vote the securities represented by the proxy in favour of each matter identified in the proxy and for the nominees of management for directors and auditors.**

**The proxy confers discretionary authority upon the named proxyholder with respect to amendments to or variations in matters identified in the accompanying Notice of Meeting and other matters which may properly come before the Meeting or any adjournment or postponement thereof.** At the date of this Information Circular, management is not aware of any amendments, variations, or other matters which might be brought before the Meeting. If such should occur, the persons designated by management will vote thereon in accordance with their best judgment, exercising discretionary authority.

### **NOTICE**

The Company is not sending the Meeting Materials to registered Shareholders or Non-Registered Shareholders using notice-and-access delivery procedures defined under NI 54-101 and National Instrument 51-102, Continuous Disclosure Obligations ("**NI 51-102**").

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

Other than as set forth in this Circular, no person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The voting securities of the Corporation consist of an unlimited number of common shares without par value. As at the date of this Circular, 136,941,618 common shares without par value were issued and outstanding. Each such common share entitles the Shareholder of record to the right to one (1) vote at the Meeting. October 19, 2020 has been fixed in advance by the directors of the Corporation as the record date for the purpose of determining those Shareholders entitled to receive notice of, and to vote at the Meeting.

Only registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment(s) or postponement(s) of the Meeting.

To the knowledge of the directors and senior officers of the Corporation, as at the Record Date, the following are the only persons who beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to the voting securities of the Corporation:

Name	Number of Voting Securities	Percentages
Northern Fox Copper Inc. <sup>1</sup>	33,283,264	24.3%

1. Northern Fox Copper Inc. is a wholly owned subsidiary of Copper Fox Metals Inc. a reporting issuer having its shares posted and called for trading on the TSX Venture Exchange.

## RECOMMENDATIONS OF THE BOARD

The Board unanimously recommends that each holder of Common Shares vote IN FAVOUR of all resolutions described in this Circular.

TO THE KNOWLEDGE OF THE CORPORATION'S DIRECTORS, THE ONLY MATTERS TO BE PLACED BEFORE THE MEETING ARE THOSE REFERRED TO IN THE NOTICE OF MEETING ACCOMPANYING THIS CIRCULAR. HOWEVER, SHOULD ANY OTHER MATTERS PROPERLY COME BEFORE THE MEETING, THE COMMON SHARES REPRESENTED BY THE PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

### 1. Financial Statements

The Board has approved the audited consolidated financial statements for the fiscal year ended October 31, 2019, together with the auditor's report thereon. Copies of these financial statements have been sent to all Shareholders and are also available on the Canadian Securities Administrators' System for Electronic Document Analysis and Retrieval ("**SEDAR**") at [www.sedar.com](http://www.sedar.com).

### 2. Election of Directors

The term of office of each of the present directors, being Jevin Werbes, Chris Healey and Hrayr Agnerian, will expire at the Meeting.

Pursuant to the Corporation's articles of incorporation and articles of amendment (collectively, the "**Existing**

**Articles**”), the number of directors of the Corporation shall be a minimum of one (1) and a maximum of twelve (12). The Board has fixed the number of directors to be elected at the Meeting at three (3).

At the Meeting, the holders of Common Shares will be asked to vote for election of the three (3) persons named in the table below, presented for election at the Meeting as Management’s nominees pursuant to the existing Articles of the Corporation.

Management does not contemplate that any of these nominees will be unable to serve as a director, but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion. Each director elected will hold office until the next annual meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Existing Articles and the general by-laws (the “**By-Laws**”) of the Corporation or the provisions of the *Canada Business Corporations Act* (“**CBCA**”) or, in the event the Continuance (as defined hereinafter) is approved at the Meeting and subsequently completed, the provisions of the *Business Corporations Act* (British Columbia) (“**BCBCA**”).

The persons named in the following table are Management's nominees to the board, and sets forth information concerning the three management nominees as furnished by each of the individual nominees, as at the Record Date. Each director elected will hold office until the next Annual General Meeting or until his or her successor is duly elected or appointed unless his or her office is earlier vacated in accordance with the articles of the Corporation or unless he or she becomes disqualified to act as a director.

<b>Name and Province of Nominee and Present Position with Corporation</b>	<b>Principal Occupation</b>	<b>Period From Which Nominee Has Been Director</b>	<b>Number of Approximate Voting Securities<sup>1</sup></b>
<b>Jevin Werbes</b> <sup>2,3</sup> North Vancouver, BC President, CEO and Director	President of Calico Management Corp., Past Director & Chairman of Cobalt Power Group Inc.	October 15, 2010	92,183 direct 133,250 <sup>4</sup> indirect
<b>Chris Healey</b> <sup>2,3</sup> Nanaimo, BC	Owner of Healex Consulting Ltd., Past Director of Cobalt Power Group Inc., Past Director & President of Rainmaker Resources Ltd.	May 31, 2010	120,000
<b>Hrayr Agnerian, P.Geo</b> <sup>2,3</sup> North York, ON	President of Agnerian Consulting	February 4, 2011	20,000

- 1) Voting securities beneficially owned, directly or indirectly, or over which control or direction is exercised.
- 2) Members of the 2019 Audit Committee.
- 3) Members of the 2019 Compensation Committee.
- 4) Through Calico Management Corp., a Company 100% beneficially owned by Jevin Werbes, President and CEO of the Corporation.

**Advance Notice Policy**

If the Continuance is approved at the Meeting and subsequently completed, the Corporation intends to adopt an advance notice policy, pursuant to which any additional director nomination for an annual meeting of Shareholders must be received by the Secretary of the Corporation in proper written form at the principal office of the Corporation, (i) in the case of an annual meeting of Shareholders, not less than thirty (30) days nor more than sixty-five (65) days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than fifty (50) days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the nominating Shareholder may be given not later than the close of business on the tenth (10<sup>th</sup>) day following the Notice Date; and (ii) in the case of a special meeting of the Shareholders (which is not also an annual meeting), not later than the close of business on the fifteenth (15<sup>th</sup>) day following the day on which the first public announcement of the date of the special meeting of Shareholders was made.

### Corporate Cease Trade Orders or Bankruptcies

None of the proposed directors of the Corporation:

- a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company including the Corporation. That:
  - (i) was the subject of an order while that person was acting in the capacity as director, executive officer or chief financial officer; or;
  - (ii) was the subject of an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer in the Corporation which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- b) is as at the date of this Circular or has been within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual;
- c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Holders of Common shares can vote for all of the proposed nominees to the Board of directors of the Corporation, vote for some of the proposed nominees and withhold vote for others, or withhold from voting for all or any of the proposed nominees. Unless a Shareholder directs that his, her or its Common Shares be otherwise voted for withheld from voting in connection with the election of directors, the management designees named in the enclosed form of proxy intend to vote such proxies IN FAVOUR of the election of the three nominees whose names are set out above.

### 3. Appointment of Auditors

At the Meeting, Shareholders will be asked to appoint Davidson & Company, Chartered Accountants as the auditor of the Company until the next annual meeting of Shareholders, based on the recommendation of the Audit Committee and the Board, and to authorize the directors to fix the remuneration of the auditor. Davidson & Company, Chartered Accountants has been the auditor of the Corporation since March 2, 2016.

**Unless a Shareholder directs that his, her or its Shares be withheld from voting in connection with the appointment of Davidson & Company Chartered Accountants, the management designees named in the enclosed form of proxy intend to vote such proxies IN FAVOUR of the re-appointment of Davidson & Company, Chartered Accountants as the auditor of the Corporation to serve until the next Annual General Meeting of Shareholders of the Corporation and to authorize the directors of the Corporation to fix the remuneration of the auditor.**

#### 4. Continuation Under *Business Corporations Act* (British Columbia) and Adoption of New Articles

The Corporation is currently a limited company incorporated under the federal laws of Canada and is subject to the provisions of the CBCA. At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass a special resolution (the “**Continuance Resolution**”) authorizing the Board, in its sole discretion, to apply for the discontinuance of the Corporation from the federal jurisdiction of Canada under the CBCA and to continue the Corporation into the provincial jurisdiction of British Columbia (the “**Continuance**”) under the BCBCA.

**The Continuance will affect certain of the rights of Shareholders as they currently exist under the CBCA. Shareholders should consult their legal advisors regarding implications of the Continuance, which may be of particular importance to them.**

The BCBCA permits companies incorporated outside of British Columbia to be continued into British Columbia. On Continuance, the CBCA will cease to apply to the Corporation and the Corporation will thereupon become subject to the BCBCA, as if it had been originally incorporated under the BCBCA. The Continuance will not create a new legal entity, affect the continuity of the Corporation or result in a change to its business or affect its share capital. The persons elected as directors by the Shareholders at the Meeting will continue to constitute the Board upon the Continuance becoming effective.

The BCBCA provides that when a foreign corporation continues under the BCBCA:

- (a) the property, rights and interests of the foreign corporation continue to be the property, rights and interests of the company;
- (b) the company continues to be liable for the obligations of the foreign corporation;
- (c) an existing cause of action, claim or liability to prosecution is unaffected;
- (d) a legal proceeding being prosecuted or pending by or against the foreign corporation may be prosecuted or its prosecution may be continued, as the case may be, by or against the company; and
- (e) a conviction against, or a ruling, order or judgement in favour of or against the foreign corporation may be enforced by or against the company.

#### Reason for Continuance

Management has determined that the Continuance is in the best interest of the Corporation because there is greater flexibility in the provisions of the BCBCA that they believe would benefit the Corporation, including in respect of residency requirements for the directors of a company existing under the BCBCA. Management is of the view that the BCBCA is consistent with corporate legislation with other Canadian jurisdictions and will provide Shareholders with substantially the same rights as those that are available to Shareholders under the CBCA.

#### Continuance Process

In order to effect the Continuance:

1. the Continuance Resolution must be approved by special resolution of at least two-thirds of the votes cast at the Meeting in person or by proxy in favour of the Continuance;
2. the Corporation must make an application to the Director under the CBCA for consent to continue (the “**Letter of Satisfaction**”) under the BCBCA, such application to establish to the satisfaction of the Director that the proposed Continuance will not adversely affect the Corporation's creditors or Shareholders;

3. once the Continuance Resolution is passed and the Corporation has obtained the Letter of Satisfaction, the Corporation must file a continuation application and the Letter of Satisfaction, along with prescribed documents under the BCBCA, with the British Columbia Registrar of Companies to obtain a Certificate of Continuance;
4. on the date shown on the Certificate of Continuance issued by the British Columbia Registrar of Companies, the Corporation will become a company registered under the laws of the Province of British Columbia as if it had been incorporated under the laws of the Province of British Columbia; and
5. the Company must then file a copy of the Certificate of Continuance with the Director under the CBCA and receive a Certificate of Discontinuance under the CBCA.

#### Effect of Continuance

Upon completion of the Continuance, the CBCA will cease to apply to the Corporation and the continued Company will thereupon become subject to the BCBCA, as if it had been originally incorporated as a British Columbia company.

The persons elected as directors by the Shareholders at the Meeting will continue to constitute the Board upon the Continuance becoming effective. The Continuance will not create a new legal entity, affect the continuity of the Company or result in a change in its business. Nor will the Continuance affect the Company's status as a listed company on the TSX Venture Exchange (the "**Exchange**") or as a reporting issuer under applicable securities laws of any jurisdiction in Canada. The Company will remain subject to the requirements of all applicable securities legislation.

As of the effective date of the Continuance, the Company's current constating documents (i.e. its Existing Articles and the By-Laws under the CBCA) will be replaced with a Notice of Articles and articles (the "**New Articles**") under the BCBCA that are proposed to be adopted in connection with the Continuance in substantially the form attached hereto as Schedule "A".

Following the Continuance, the legal domicile of the Corporation will be the Province of British Columbia and the Company will no longer be subject to the provisions of the CBCA.

Each previously outstanding Common Share will continue to be a common share of the Company as shares of a company governed by the BCBCA.

#### Corporate Governance Differences

In general terms, the BCBCA provides to the Shareholders substantively the same rights as are available to the Shareholders under the CBCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences. The following is a summary comparison of certain provisions of the BCBCA and the CBCA which pertain to rights of the Shareholders. This summary is not intended to be exhaustive and the Shareholders should consult their legal advisers regarding all of the implications of the Continuance.

#### *Charter Documents*

Under the BCBCA, the charter documents will consist of a Notice of Articles, which sets forth, among other things, the name of the corporation and the amount and type of authorized capital, the corporation is authorized to issue and indicates if there are any rights and restrictions attached to the issued shares, and New Articles, which will set the rules for the Company's conduct following the Continuance. The continuation application (with a form of the Notice of Articles) is filed with the British Columbia Registrar of Companies, and the New Articles will be filed only in the Company's books and records maintained at the Company's registered and records office.

Similarly, under the CBCA, the Company has Existing Articles, which set forth, among other things, the name

of the corporation and the amount and type of authorized capital, and the By-laws, which regulate the business or affairs of the Company. The Existing Articles are filed with Corporations Directorate, Industry Canada, and the By-Laws remain filed only at the Company's registered and records office.

In connection with the Continuance, it is necessary that the Company adopt a Notice of Articles and Articles under the BCBCA. Accordingly, as part of the Continuance Resolution, Shareholders will also be asked to approve the adoption by the Company of the Notice of Articles and new Articles, which comply with the requirements of the BCBCA, in substitution for the Existing Articles and the By-Laws of the Company and any amendments thereto to date. The Continuance to British Columbia and the adoption of the Notice of Articles and New Articles will not result in any material changes to the constitution, powers or management of the Company, except as otherwise described herein.

A copy of the New Articles are attached hereto as Schedule "A". The New Articles will also be available for review at the Meeting. If the Continuance is approved at the Meeting and subsequently completed, a copy of the New Articles can be obtained on SEDAR at <http://www.sedar.com> under the Corporation's Sedar Profile and the Notice of Articles will be available from the British Columbia Registrar of Companies.

#### *Requirements for Special Resolutions*

The CBCA requires that certain matters be approved by special resolution of the Shareholders. Under the BCBCA, the Company may provide for a different level of approval for some matters. The Company proposes to adopt the more flexible approach under the BCBCA in order to be able to react and adapt to changing business conditions. As a result, subject to the BCBCA, the proposed New Articles will provide that the Company may:

- (1) by directors' resolution or by ordinary resolution of Shareholders, 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 or 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;
  - (g) 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;
  - (h) authorize an alteration of its Notice of Articles in order to change its name and may, by directors' resolution or ordinary resolution of Shareholders, in each case as determined by the directors,

adopt or change any translation of that name; and

- (i) if the BCBCA does not specify the type of resolution and the Company's New Articles do not specify another type of resolution, alter the Company's articles;
- (2) by ordinary resolution of Shareholders otherwise alter its shares or authorized share structure; and
- (3) by special resolution of the Shareholders of the class or series affected, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares if shares of the class or series of 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 shares of the class or series of shares have been issued;

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

#### *Amendments to Charter Documents*

Under the BCBCA and the New Articles, other fundamental changes such as a proposed amalgamation or continuation of a company out of the jurisdiction require a special resolution passed by two-thirds of the votes cast on the resolution by holders of shares of each class entitled to vote at a general meeting of the company.

Under the CBCA such changes require a special resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the alteration and, where certain specified rights of the holders of a class or series of shares are affected differently by the alteration than the rights of the holders of other classes of shares, or in the case of holders of a series of shares, in a manner different from other shares of the same class, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class, or series, as the case may be, whether or not they are otherwise entitled to vote.

#### *Sale of Undertaking*

Under the BCBCA, a company may sell, lease or otherwise dispose of all or substantially all of the undertaking of the corporation if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the articles of the corporation specify is required (being at least two-thirds and not more than three-quarters of the votes cast on the resolution) or, if the articles of the corporation do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. Under the New Articles proposed to be adopted by the Company the special resolution will need to be passed by at least two-thirds of the votes cast on the resolution.

The CBCA requires approval of the holders the shares of a corporation represented at a duly called meeting by not less than two-thirds of the votes cast upon a special resolution for a sale, lease or exchange of all or substantially all of the property (as opposed to the "undertaking") of the corporation, other than in the ordinary course of business of the corporation. Each share of the corporation carries the right to vote in respect of a sale, lease or exchange of all or substantially all of the property of the corporation whether or not it otherwise carries the right to vote. Holders of shares of a class or series can vote separately only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series. While the shareholder approval thresholds will be the same under the BCBCA and the CBCA, there are differences in the nature of the sale which requires such approval, i.e., a sale of all or substantially all of the "undertaking" under the BCBCA and of all or substantially all of the "property" under the CBCA.

#### *Rights of Dissent and Appraisal*

The BCBCA provides that shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable in respect of:

- (a) a resolution to alter the Articles, to alter restrictions on the powers of the company or on the business the company is permitted to carry on;

- (b) a resolution to adopt an amalgamation agreement;
- (c) a resolution to approve an amalgamation into a foreign jurisdiction;
- (d) a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) any other resolution, if dissent is authorized by the resolution; or
- (h) any court order that permits dissent.

The CBCA contains a similar dissent remedy, subject to certain qualifications. Regarding (b) and (c) above, under the CBCA, there is no right of dissent in respect of an amalgamation between a corporation and its wholly-owned subsidiary, or between wholly-owned subsidiaries of the same corporation. The CBCA also contains a dissent remedy where a corporation resolves to amend its articles to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of a class.

#### *Oppression Remedies*

Under the BCBCA, a shareholder of a company has the right to apply to the court on the grounds that:

- (a) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or
- (b) some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make any interim or final order it considers appropriate including an order to prohibit any act proposed by the company.

The CBCA contains rights that are substantially broader in that they are available to a larger class of complainants. Under the CBCA a shareholder, former shareholder, director, former director, officer, or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person to seek an oppression remedy, may apply to the court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, that the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or the powers of the directors of the corporation or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director, or officer.

#### *Shareholder Derivative Actions*

Under the BCBCA, a shareholder or director of a company may, with leave of the court, prosecute or defend a legal proceeding in the name and on behalf of a company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such a right, duty or obligation.

A broader right to bring a derivative action is contained in the CBCA, and this right also extends to officers, former shareholders, former directors and former officers of a corporation or its affiliates, and any person, who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative

action. In addition, the CBCA permits derivative actions to be commenced, with leave of the court, in the name and on behalf of a corporation or any of its subsidiaries.

#### *Requisition of Meetings*

The BCBCA provides that shareholders who, at the date on which the requisition is received by the company, hold in the aggregate not less than 5% of the issued shares of the company that carry the right to vote at general meetings may give notice to the directors requiring them to call and hold a general meeting within four months, subject to certain exceptions. The New Articles provide that, 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 entitled to vote at such meeting. 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.

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

#### *Place of Meetings*

Under the BCBCA and the New Articles, meetings of Shareholders may be held in the Province of British Columbia or at a location outside of British Columbia if that location is approved by resolution of the directors or in writing by the British Columbia Registrar of Companies before the meeting is held.

The CBCA provides that meetings of shareholders may be held at the place outside of Canada provided by the articles, or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

#### *Directors*

Both the BCBCA and CBCA provide that a public corporation must have a minimum of three directors. Under the New Articles, at every annual general meeting and in every unanimous resolution, the Shareholders entitled to vote must elect, or in the unanimous resolution appoint, a board of directors consisting of at least three directors. Each director's term of office expires immediately before the election or appointment of directors at the annual general meeting or when he or she ceases to hold office under the BCBCA. The Company may remove any director before the expiration of his or her term of office by special resolution and may elect by ordinary resolution of Shareholders a director to fill the resulting vacancy. Between annual general meetings or unanimous resolutions, the directors of the Company may appoint one or more additional directors provided that the number of additional directors appointed must not at any time exceed: (i) one-third of the number of directors named in the Notice of Articles (the "**First Directors**"), if at the time of appointments, one or more of the First Directors have not yet completed their first term in office; or (ii) in any other case, one-third of the number of current directors who were elected or appointed as directors other than by the Board. Any director appointed by the Board ceases to hold office immediately before the next election or appointment of directors at an annual general meeting, but is eligible for re-election or re-appointment.

While the BCBCA does not have any Canadian or provincial residency requirements for directors, the CBCA requires that at least 25% of directors of a corporation must be resident Canadians.

#### *Capital Structure*

Currently, the Corporation's authorized capital consists of an unlimited number of Common Shares. If the Company's Shareholders approve the Continuance, the Company will continue to have authorized capital of an unlimited number of Common Shares.

As a CBCA corporation, the charter documents consist of the Existing Articles and the By-Laws and any amendments thereto to date. On completion of the Continuance, the Company will cease to be governed by the CBCA and will thereafter be deemed to have been formed under the BCBCA. There are some differences in shareholder rights under the BCBCA and CBCA and under the charter documents proposed to be adopted by the Company upon the Continuance.

#### Proposed Continuance Resolution

Management of the Company believes that it would be in the best interest of the Company to continue the Company into the provincial jurisdiction of British Columbia under the BCBCA. The Continuance must be approved by special resolution in order to become effective. To pass, a special resolution requires a majority of not less than two-thirds of the votes cast by the Shareholders present at the Meeting in person or by proxy.

At the Meeting, the holders of Common Shares and Restricted Voting Shares will be asked to consider and, if thought appropriate, to approve the Continuance and the adoption by the Company of the Notice of Articles and New Articles by passing the Continuance Resolution, such resolution to be substantially in the form set forth below:

#### **BE IT RESOLVED, as a special resolution, that:**

- (a) the Company be authorized to undertake and complete the continuance of its corporate charter from the federal jurisdiction to the Province of British Columbia, pursuant to Section 188 of the CBCA and Section 302 of the BCBCA;
- (b) the Company be authorized to prepare a Continuation Application, including a form of Notice of Articles, respecting the proposed continuance of the Company to British Columbia and that any one director or officer be authorized to do all that is required to complete the continuance to British Columbia and any one director or officer be authorized to determine the form of such documents required in respect thereof, including any supplements or amendments thereto, including, without limitation, the documents referred to below;
- (c) the Company apply to Industry Canada (the “**Federal Registrar**”) to permit such continuance in form of a Certificate of Discontinuance, in accordance with section 188 of the *Canada Business Corporations Act* (the “**CBCA**”);
- (d) the Company apply to the Registrar of Companies of British Columbia (the “**BC Registrar**”) to permit such continuance in accordance with section 302 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”)
- (e) subject to the issuance by the BC Registrar of a Certificate of Continuation and without affecting the validity of the Company and the existence of the Company by or under its articles and bylaws and any act done thereunder, effective upon issuance of the Certificate of Continuation, the Company adopt the Notice of Articles attached to the Continuation Application and the Articles in the form approved by the directors of the Company pursuant to the BCBCA, in substitution for the articles and by-laws of the Company pursuant to the CBCA, and all amendments reflected therein, are approved and adopted;
- (f) legal counsel licensed to practice in the Province of British Columbia, as selected by any director or officer or the Company, be appointed as the Company’s agent to electronically file the Continuation Application with the BC Registrar and to apply to the Federal Registrar for authorization permitting the continuation and to request a Certificate of Discontinuance under the CBCA;
- (g) effective on the date of the Continuance, the Company adopt the Notice of Articles, authorizing an unlimited number of Common Shares without par value and New Articles substantially in the form presented at the Meeting in substitution, respectively, for the Existing Articles and By-laws of the Company;
- (h) notwithstanding the passage of this special resolution by the Shareholders, the Board of Directors of

the Company, in its sole discretion and without further notice to or approval of the Shareholders, may decide not to proceed with the continuance or otherwise give effect to this special resolution, at any time prior to the continuance becoming effective; and

- (i) any one officer or director of the Company is authorized, for and on behalf of the Company, to execute and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized hereby including, without limitation, the execution and filing of the Continuation Application and any forms prescribed by or contemplated under the BCBCA.

The Continuation and the Notice of Articles shall take effect immediately on the date and time the Notice of Continuation Application and Notice of Articles are filed with the British Columbia Registrar of Companies. The Articles shall have effect immediately upon completion of the Continuation.

Notwithstanding the approval of the Continuation by the Shareholders, the directors may abandon the Continuation without further approval from the Shareholders. If the Continuation is abandoned, the Corporation's jurisdiction of incorporation will remain under the CBCA and the Continuation will not be completed.

For the Continuation to be approved, the Continuation Resolution must be passed by at least a two-thirds majority of the votes cast with respect to the Continuation Resolution by the Shareholders of the Company present in person or by proxy at the Meeting. **Unless a Shareholder directs that his, her or its Shares be voted against the Continuation Resolution, the management designees named in the enclosed form of proxy intend to vote such proxies IN FAVOUR of such special resolution approving the Continuation Resolution.**

#### Rights of Dissent in Respect of the Continuation

A Shareholder of the Company is entitled to dissent and be paid the fair value such Shareholder's shares of the Company if such Shareholder objects to the Continuation Resolution and the Continuation becomes effective. However, a Shareholder is not entitled to dissent with respect to any of such Shareholder's shares of the Company in the event of the approval of the Continuation Resolution and the subsequent continuance of the Company, if that Shareholder has voted any such shares beneficially owned by such Shareholder in favour of the Continuation Resolution.

To exercise the right of dissent, a Shareholder must provide notice of this dissent to the Company by delivering a written objection to the continuance resolution (i) to the Company's Chief Executive Officer at the Company's registered office at Suite 217, 179 Davie Street, Vancouver, British Columbia, V6Z 2Y1 on or before the date of the Meeting; or (ii) at the Meeting, to the chairman of the Meeting.

A Shareholder who complies with the dissenting shareholder provisions of the CBCA is entitled to be paid by the Company the fair value of the shares held by him in respect of which he dissents, determined as of the close of business on the last business day before the day on which the resolution from which he dissents was adopted.

A dissenting Shareholder may only claim with respect to all of the shares of a class held by him or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

If the dissenting Shareholder and the Company are unable to agree on the fair value of the shares, either party may apply to the applicable court to fix the fair value. The complete text of Section 190 of the CBCA is attached to this Circular as Schedule "B".

#### **5. Proposed Ordinary Resolution regarding the Corporation's Sale of a portion or all of its interests in the Stony Lake Claims located in the Province of Newfoundland.**

On July 29, 2020, the Corporation entered into a Mineral Property Option Agreement with Global Vanadium Corp. ("Global Vanadium") pursuant to which Global Vanadium received certain rights to enter

upon and explore the Stony Lake Claims located in the Province of Newfoundland which in the opinion of the TSX Venture Exchange, if fully exercised, could give rise to a disposition of more than 50% of the Corporation's assets. As such, the Corporation is seeking Shareholder approval to the terms of the Agreement by requesting that Shareholders pass an ordinary resolution at the Corporation's Annual and Special Meeting which would ratify, confirm and approve the terms of the Agreement.

The terms of the Mineral Property Option Agreement require that Global Vanadium pay, issue shares and fulfill minimum annual exploration commitments summarized as follows:

- a) pay to the Corporation \$75,000 CDN (which amount has been paid);
- b) issue to the Corporation 500,000 fully paid and non-assessable common shares of Global Vanadium (which shares have been issued);
- c) pay to the Corporation \$125,000 CDN and incur exploration expenditures on the Stony Lake Property of no less than \$150,000 CDN on or before November 14, 2021;
- d) issue to the Corporation 1,200,000 fully paid and non-assessable common shares of Global Vanadium on or before November 14, 2021;
- e) pay to the Corporation \$150,000 CDN and making additional Exploration Expenditures of not less than \$250,000 CDN (for cumulative Exploration Expenditures of \$400,000 CDN) on or before August 14, 2022; and
- f) issue to the Corporation an additional 1,600,000 fully paid and non-assessable common shares of Global Vanadium on or before August 14, 2022.

After the foregoing consideration has been paid by Global Vanadium to the Corporation, Global Vanadium will have paid and performed the consideration due and payable to acquire a 75% undivided interest in and to the Stony Lake Claims and thereafter be allowed to increase its interest by acquiring the remaining 25% interest for the following additional consideration:

- a) \$500,000 CDN on or before August 14, 2023; and
- b) 2,000,000 fully paid and non-assessable common shares of Global on or before August 14, 2023.

Global Vanadium has the right to terminate the Agreement at any given time without paying further funds, issuing further shares or completing additional exploration work on the Stony Lake Claims if the results of exploration do not warrant further expenditures or payments provided however adequate work or payments due or pay cash in lieu thereof must be made to fulfil the requirements of the Ministry of Mines in Newfoundland in order to keep the Claims in good standing for a period of one year after the effective date of termination.

Should Global Vanadium fully perform its obligations to acquire a 75% undivided interest and elect not to acquire the remaining 25% interest, the parties will negotiate and settle an industry standard joint venture agreement to govern their relationship in the further development of the Claims from the date the joint venture become effective.

The terms of disposition are arms-length. Global Vanadium is a company currently trading on the TSX Venture Exchange under the symbol "KNC". Global Vanadium received TSX Venture Exchange approval for the terms of acquisition on August 14, 2020 after which it paid to the Corporation the initial amount of \$75,000 and issued and allotted to the Corporation 500,000 fully paid and non-assessable shares of its capital stock.

Global Vanadium has initiated a work program on the Stony Lake Claims which if successful it would in all likelihood cause the second payment due and payable on November 14, 2021 to be made. There is no guarantee that further payments will be made under the terms of the Mineral Property Option Agreement other than amounts already received by the Corporation to date.

The deemed value of the shares being issued by Global Vanadium Corp. to the Corporation as established under the terms of the Mineral Property Option Agreement is \$0.19 per share. On September 14, 2020, Global Vanadium changed its name to K9 Gold Corp. and on September 16, 2020 commenced trading on the TSX Venture Exchange under the symbol "KNC".

The 30 day average trading price of the Global Vanadium shares as traded on the TSX Venture Exchange following the date of announcement of the Agreement is a high of 0.47, a low of 0.44. The close price as traded on the Exchange on October 19, 2020 was \$0.40.

The Mineral Property Option Agreement has been filed on Sedar at [www.sedar.ca](http://www.sedar.ca) under the Company's profile.

Management of the Corporation recommends that Shareholders vote in favor of the proposed resolution which would ratify, confirm and approve the terms of disposition of the Stony Lake Claims as provided for under the Mineral Property Option Agreement.

## 6. Stock Options

The TSX Venture Exchange (the "Exchange") requires that every company implement a stock option plan to govern the grant and exercise of incentive stock options for directors, employees and consultants. As such, the directors of the Corporation proposed a "rolling" stock option plan (the "Plan") whereby a maximum number equal to 10% of the issued shares of the Corporation may from time to time, may be reserved for issuance under the Plan.

The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of five years (or ten years if the Corporation is reclassified by the Exchange as a Tier 1 Issuer). The exercise price of any options granted under the Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Corporation's common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the Exchange. No vesting requirements will apply to options granted thereunder, however a four month hold period will apply to all shares issued under each option, commencing from the date of grant.

The Plan will contain the following other provisions:

- all options will be non-transferable;
- no more than 5% of the issued shares may be granted to any one individual in any 12 month period;
- no more than 2% of the issued shares may be granted to a consultant, or any employee performing investor relations activities, in any 12 month period;
- disinterested shareholder approval must be obtained if:
  - (i) a stock option plan, together with all of the Issuer's previously established and outstanding stock option plans or grants, could result at any time in:
    - (a) the number of shares reserved for issuance under stock options granted to Insiders exceeding 10% of the issued shares;
    - (b) the grant to Insiders, within a 12 month period, of a number of options exceeding 10% of the issued shares, or
    - (c) the issuance to any one Optionee, within a 12 month period, of a number of shares exceeding 5% of the issued shares; or
  - (ii) the Issuer is decreasing the exercise price of stock options previously granted to Insiders.
- options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Corporation's common shares.

The Plan is subject to receipt of Exchange acceptance to its filing.

**Reference should be made to the full text of the Plan which will be made available at the Registered and Records office of the Corporation at 217-179 Davie St, Vancouver BC V6Z 2Y1 until the business day immediately preceding the date of the Meeting.**

Shareholders will be asked to consider, and if thought fit to approve a resolution approving the Plan.

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

Management knows of no other matters to come before the Meeting of shareholders other than referred to in the notice of Meeting. However, if any other matters which are not known to the management of the Corporation shall properly come before the said Meeting, the form of proxy given pursuant to the solicitation by management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

### **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders and takes into account the role of the individual member of management who are appointed by the Board and who are charged with the day to day management of the Corporation.

The Board is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making.

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices, which disclosure is set out below.

#### **Board of Directors**

##### **Independence of Members of Board**

The Board is currently composed of three Directors.

NI 58-201 recommends that the board of directors of every listed company should consist of a majority of individuals who qualify as "independent" directors under National Instrument 52-110 – Audit Committees ("NI 52-110"), which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company.

"Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Currently, the Board consists of Jevin Werbes, Chris Healey and Hrayr Agnerian of whom, Jevin Werbes is considered "not independent", as he is Chairman of the Board and President & CEO. Each of the two remaining directors are considered by the Board to be "independent" within the meaning of NI 52-110. In making the foregoing determinations, the circumstances of each director have been examined by the Board in relation to a number of factors.

## **Management Supervision by Board**

The operations of the Corporation and its current finances do not support a large board of directors and the Board has determined that the current constitution of the Board is appropriate for the Corporation at its current stage of development. Independent supervision of management is accomplished by choosing management that demonstrates a high level of integrity and ability and a slate of strong independent Board members.

## **Participation of Directors in other Reporting Issuers**

Presently, none of the directors of the Corporation hold directorships in other reporting issuers.

## **Orientation and Continuing Education**

While the Corporation does not have formal orientation and training programs, new Board members are provided with:

- a) information respecting the functioning of the Board, committees and copies of the Corporation's corporate governance policies;
- b) access to recent, publicly filed documents of the Corporation; and
- c) access to management.

Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

## **Ethical Business Conduct**

The Board views good corporate governance and ethical business conduct as an integral component to the success of the Corporation and to fulfill its obligation to its shareholders. Due to the size of the Corporation and its present level of activity, the Corporation has found it unnecessary to adopt a Code of Conduct.

## **Nomination of Directors**

The Board has assumed responsibility for identifying potential Board candidates. The Board assesses potential candidates to fill the need of the Corporation based on the sector the Corporation is currently engaged in and seeks to locate nominees with the skills, expertise, independence and other factors complementary to the Corporation's present Canadian mining activities.

## **Compensation of Directors and the CEO and CFO**

The independent directors are **Chris Healey** and **Hrayr Agnerian**. Independent directors have the responsibility for determining annual compensation for the directors and senior management.

To determine compensation payable, the independent directors review compensation paid for directors, CEO's and CFO's of companies of similar size and stage of development and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation. In settling the compensation the independent directors annually review the performance of CEO and CFO in light of the Corporation's objectives and consider other factors that may have an impact on the success of the Corporation in achieving its objectives.

## **Board Committees**

As the directors are actively involved in the operations of the Corporation, the size of the Corporation's operations does not warrant a larger board of directors. The Corporation has an Audit Committee and a Compensation Committee.

## **Assessments**

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its Audit Committee to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors, and reports from the Audit Committee respecting its own effectiveness. As part of the assessments, the Board or the committee may review their respective mandate or charter and conduct reviews of applicable corporate policies

## **Mandate of the Board**

The mandate of the Board, as prescribed by the CBCA the BCBCA are to manage or supervise the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing major strategic initiatives to ensure that the Corporation's proposed actions accord with shareholder objectives; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders' equity interests through the optimum utilization of the Corporation's capital resources.

## **Meetings of the Board**

Board meetings are called to deal with special matters as circumstances require. The Board met 4 times formally during 2019, and met informally on numerous occasions to review and consider the Corporation's exploration project and the financial condition of the Corporation. Most matters requiring approval of the Board are approved by circulating consent resolutions for the Board's signature.

## **Compensation Committee**

The Compensation Committee is comprised of the following directors of the Corporation: **Chris Healey**, **Jevin Werbes** and **Hrayr Agnerian**. The Compensation Committee met 1 time formally during the 2019 year.

A Compensation Committee is expected to follow the following tentative guidelines:

### *a) Philosophy and Objectives*

The compensation program for senior management of the Corporation has been designed to ensure that the level and form of compensation achieves certain objectives, including:

- i. attracting and retaining talented, qualified and effective executives;
- ii. motivating the short and long term performances of these executives; and
- iii. better aligning their interests with those of the Corporation's shareholders.

In compensating its senior management, the Corporation employs a compensation package which includes any of a base salary, bonus compensation and equity participation through its stock option plan or all such forms of compensation.

### *b) Base Salary*

In the view of the Corporation, paying base salaries which are competitive in the markets in which the Corporation operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on companies earning comparative revenues in a similar industry is compiled from a variety of sources, including published surveys derived from national and international publications.

c) *Long Term Compensation*

The Corporation has no long-term incentive plans other than its incentive stock option plan (the "Plan"). The Plan is designed to encourage share ownership and entrepreneurship on the part of the senior management and other employees. The Compensation Committee believes that the Plan aligns the interests of senior management with shareholders by linking a component of executive compensation to the longer term performance of the Corporation's Common Shares.

Options annually will be recommended by the Compensation Committee. In monitoring or adjusting the option allotments, the Compensation Committee takes into account the level of options granted for similar levels of responsibility and considers each member of senior management or employee based on reports received by managements own observations on individual performance (where possible) and management assessment of individual contribution to shareholder value, previous options grants and the objectives set for the parties being compensated. The scale of options will generally be commensurate with the appropriate level of base compensation for each level of responsibility.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Compensation Committee also makes the following determinations:

- The NEO's and others who are entitled to participate in the Plan;
- The exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the market price on the date of grant;
- The date on which each option is granted;
- The vesting period, if any, for each stock option; and
- The other material terms and conditions of each stock option grant.

The Compensation Committee makes these determinations subject to and in accordance with the provisions of the Plan. The Board reviews and approves grants of options on an annual basis.

All of the NEO's are entitled to participate in the Corporation's Plan.

d) *Cash Incentive Compensation*

The Corporation's primary objective is to aim to achieve certain strategic objectives and milestones. The Corporation may approve executive bonus compensation dependent upon the Corporation meeting those strategic objectives and milestones and sufficient cash resources being available for the granting of bonuses. There were no bonuses paid to any of the Named Executive Officers during the most recently completed fiscal year.

e) *Equity Participation*

The Corporation believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Equity participation is accomplished through the Corporation's stock option plan. Stock options are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options are generally granted to senior executives which vest immediately.

Given the evolving nature of the Corporation's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified

above.

*f) Compensation of the Named Executive Officers*

The compensation of each of the Named Executive Officers is approved annually by the Board. Base cash compensation and variable cash compensation levels will take into consideration market survey data provided to the Board by independent consultants.

*g) Actions, Decisions or Policies made after October, 2019*

Given the evolving nature of the Corporation's business, the Corporation continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

This Compensation Discussion and Analysis was completed by the Board of the Corporation.

### **STATEMENT OF EXECUTIVE COMPENSATION**

The following Statement of Executive Compensation is prepared in accordance with National Instrument Form 51-102F6. The purpose of this Statement of Executive Compensation is to provide disclosure of all compensation earned by directors and certain executive officers in connection with their position as a director or officer of the Company.

#### **Named Executive Officers**

For the purposes of this Information Circular, a Named Executive Officer ("Named Executive Officer" or "NEO") of the Corporation means each of the following individuals:

- a) a Chief Executive Officer ("CEO") of the Corporation;
- b) a Chief Financial Officer ("CFO") of the Corporation;
- c) each of the Corporation's three most highly compensated executive officers including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for the October 31, 2019 financial year; and
- d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer, nor acting in a similar capacity at October 31, 2019.

**Jevin Werbes**, President and CEO of the Corporation and **Braden Jensen, CPA**, the CFO of the Corporation are the Named Executive Officers of the Corporation.

#### **Compensation Discussion and Analysis**

This compensation discussion and analysis describes and explains the Corporation's current policies and practices with respect to compensation paid or that will be paid to each of its Named Executive Officers.

Past guidelines adopted by the Corporation in establishing appropriate executive compensation for the Named Executive Officers have adopted the principal that the amount of executive compensation should be based on the need to adopt a compensation package that would allow the Corporation to attract and retain qualified and experienced executives (when required) willing to assume any and all responsibilities required by the Corporation in order to maintain its day to day operations and fulfill administrative responsibilities.

The policies adopted by the Corporation are summarized under Corporate Governance, the "Compensation Committee".

The following table sets forth particulars concerning the compensation of Named Executive Officers for the Corporation's previous three financial years:

**Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Option based awards (\$)	Share based awards (\$)	Non-Equity incentive plan compensation (\$)			All other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long Terms Incentive Plans (\$)	Pension Value (\$)		
Jevin Werbes CEO, President	2019	Nil	Nil	Nil	Nil	Nil	Nil	150,000 <sup>1</sup>	150,000 <sup>1</sup>
	2018	Nil	Nil	Nil	Nil	Nil	Nil	116,750 <sup>1</sup>	116,750 <sup>1</sup>
	2017	Nil	Nil	Nil	Nil	Nil	Nil	96,000 <sup>1</sup>	96,000 <sup>1</sup>
Braden Jensen CFO	2019	Nil	Nil	Nil	Nil	Nil	Nil	54,000 <sup>2</sup>	54,000 <sup>2</sup>
	2018	Nil	Nil	Nil	Nil	Nil	Nil	39,167 <sup>2</sup>	39,167 <sup>2</sup>
	2017	Nil	Nil	Nil	Nil	Nil	Nil	27,220 <sup>2</sup>	27,220 <sup>2</sup>

- 1) Paid to Calico Management Corp., a Company 100% beneficially owned and controlled by Jevin Werbes, President and CEO of the Corporation.  
 2) Paid to 1010312 BC Ltd., a Company 100% beneficially owned and controlled by Braden Jensen, CFO of the Corporation.

**Narrative Discussion**

Executive officers are also entitled to participate in incentive stock options granted by the Corporation. For additional information with respect to incentive stock options granted to executive officers, please refer to the heading "Incentive Plan Awards" below.

**INCENTIVE PLAN AWARDS**

**Outstanding Share-Based Awards and Option-Based Awards**

The following table presents information concerning all outstanding option-based awards and share based awards held by each NEO at the end of the October 31, 2019 financial year:

Name and principal position	Option Based Awards				Share Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in the money options (\$)	Number of shares or units of shares that have not vested	Market of payout value of share based awards that have not vested (\$)
None	Nil	Nil	Nil	Nil	Nil	Nil

**Narrative Discussion**

Stock Options are normally granted to director and key employees as an incentive for efforts to be expended on behalf of the Corporation in securing mining ventures, business opportunities, financings and in administering the Corporation for the benefit of all shareholders. During the fiscal year ending October 31, 2019 the Corporation did not grant options to Directors or key employees of the Corporation.

## Incentive Plan Awards – Value Vested or Earned during the year

The following table sets out the awards value vested or earned under incentive plans during the year ended October 31, 2019 for each NEO:

Name	Option-based awards Value vested during the year (\$)	Share-based awards Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year
<b>Jevin Werbes</b> CEO, President	Nil	Nil	Nil
<b>Braden Jensen</b> CFO	Nil	Nil	Nil

## Pension

The Corporation does not have a pension plan under which benefits are determined primarily by final compensation (or average final compensation) and years of service.

## Employment Agreements and Termination and Change of Control Benefits

The compensation plan(s) or arrangement(s), with respect to the Named Executive Officers resulting from the resignation, retirement or any other termination of the officer's employment with the Corporation or from a change of control of the Corporation or a change in the Named Executive Officer's responsibilities following a change in control are set out in consulting agreements entered into between:

1. the Corporation and Calico Management Corp. (the "Calico") a Company 100% beneficially owned by Jevin Werbes dated May 1, 2018. The agreement provides In the event of a change in control of the Company, each of the Consultant and the Company shall have one year from the date of change of control to elect to have the agreement terminated. In the event such an election is made, the Company shall within 30 days of making the election make a lump sum termination payment to the Consultant equivalent to 12 months consulting fees plus an amount equal to the balance of the amount remaining unpaid up to and including to the remaining term of the agreement. In the event of termination of the agreement by the Company without cause, the Consultant is entitled to receive the balance of the compensation due for the term but in any event no less than twelve months consulting fees in the form of a lump sum payment.
2. the Corporation and 1010312 BC Ltd. (the "Consultant") a Company 100% beneficially owned by Braden Jensen. The consulting agreement provides that it can be terminated by either the Corporation or the Consultant with 30 days written notice. In the event of termination without cause the Consultant is entitled to a two month break fee.

## DIRECTOR COMPENSATION

The Corporation has no standard arrangement pursuant to which directors are compensated by the Corporation for their services in their capacity as directors other than for the directors to possibly benefit from the grant of Incentive Options on unissued treasury shares reserved for the grant of directors' stock options under the Corporation's stock option plan. There has been no other arrangement pursuant to which directors were compensated by the Corporation in their capacity as directors during the Corporation's financial year ended October 31, 2019. The following table sets forth the details of compensation provided to the directors, other than Named Executive Officers, during the Corporation's most recently completed financial year:

Name	Fees Earned (\$)	Share based awards	Option based awards (\$)	Non Equity Incentive Plan Compensation	Pension Value (\$)	All Other Compensation (\$)¹	Total (\$)¹
Elmer Stewart	Nil	Nil	Nil	Nil	Nil	6,000	6,000
Chris Healey	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Michael Smith	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Hrayr Agnerian	Nil	Nil	Nil	Nil	Nil	Nil	Nil

1) For services rendered to the Corporation by the recipients offering services in each of their professional capacities.

### Outstanding Option and Share based awards

The following table sets out all option based awards and share based awards outstanding as at October 31, 2019, for each director, excluding a director who is already set out in disclosure for an NEO for the Corporation:

Name	Option Based Awards				Share Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in the money options (\$)	Number of shares or units of shares that have not vested	Market of payout value of share based awards that have not vested (\$)
None	Nil	Nil	Nil	Nil	Nil	Nil

### Value Vested or Earned During the Year

The following table sets out the value vested or earned under incentive plans during the year ended October 31, 2019, for each director, excluding a director who is already set out in disclosure for an NEO for the Corporation:

Name	Option based awards Value vested during the year (\$)	Share based awards Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Chris Healey	Nil	Nil	Nil
Hrayr Agnerian	Nil	Nil	Nil
Elmer Stewart	Nil	Nil	Nil
Michael Smith	Nil	Nil	Nil

**EQUITY COMPENSATION PLAN INFORMATION AS AT OCTOBER 31, 2019**

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options (a)</b>	<b>Weighted-average exercise price of outstanding options (b)</b>	<b>Number of Securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	13,694,162	Nil	Nil
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	<b>13,694,162</b>	<b>Nil</b>	<b>Nil</b>

**INDEBTEDNESS TO CORPORATION OF DIRECTORS AND SENIOR OFFICERS**

None of the directors or senior officers of the Corporation have been indebted to the Corporation during the financial years ended October 31, 2018 or October 31, 2019.

**INTEREST OF INSIDERS IN MATERIAL TRANSACTIONS**

The directors and officers of the Corporation have an interest in the resolutions concerning the election of directors and stock options. Otherwise no director or senior officer of the Corporation or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Corporation where the shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Corporation.

**MANAGEMENT CONTRACTS**

1. On May 1, 2018, the Corporation renewed a consulting agreement with Calico Management Corp. a company controlled and 100% beneficially owned by Jevin Werbes on amended terms. The agreement is for a minimum term of two years. Pursuant to the agreement Calico is to receive \$12,500 per month plus GST during the term. In the event of termination of the agreement by the Company without cause, the Consultant is entitled to receive the balance of the compensation due for the term but in any event no less than twelve months consulting fees in the form of a lump sum payment.
2. On August 10, 2015 the Corporation entered into a consulting agreement with 1010312 BC Ltd. (the "Consultant") a Company 100% beneficially owned by Braden Jensen the current CFO of the Corporation. The consulting agreement provides for payment of \$4,500. The contract may be terminated by either the Corporation or the consultant with 30 days written notice. In the event of termination without cause the Consultant is entitled to a two month break fee.

**AUDIT COMMITTEE**

A summary of responsibilities and activities and the membership of the audit committee (the "Audit Committee") is also set out below.

**The Audit Committee's Charter**

*Mandate*

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its

financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Corporation's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- i. Serve as an independent and objective party to monitor the Corporation's financial reporting and internal control system and review the Corporation's financial statements;
- ii. Review and appraise the performance of the Corporation's external auditors; and
- iii. Provide an open avenue of communication among the Corporation's auditors, financial and senior management and the Board of Directors.

### *Composition*

The Committee shall be comprised of three Directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Corporation's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Corporation's financial statements.

The following are the members of the Audit Committee:

Jevin Werbes	Non-Independent <sup>1</sup>	Financially literate <sup>1</sup>
Chris Healey, Chairman	Independent <sup>1</sup>	Financially literate <sup>1</sup>
Hrayr Agnerian	Independent <sup>1</sup>	Financially literate <sup>1</sup>

1) As defined by National Instrument 52-110 ("NI 52-110")

The members of the Committee shall be elected by the Board of Directors at its first meeting following the Annual General and Special Shareholder's meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### *Relevant education and experience*

See the disclosure under "Election of Directors". All members of the Audit Committee have:

- a) an understanding of the accounting principles used the Corporation to prepare its financial statements and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- b) Experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breath and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- c) an understanding of internal controls and procedures for financial reporting.

## *Meetings*

The Committee shall meet at least annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the external auditors. The committee met 4 times formally during the 2019 year.

## *Responsibilities and Duties*

To fulfill its responsibilities and duties, the Committee shall with respect to each of the following:

### Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Corporation's financial statements, MD&A and any annual and interim earnings, press releases before the Corporation publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

### External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Corporation.
- (b) Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Corporation, consistent with Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation.
- (g) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto.

### Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors

any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.

- (f) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (h) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (i) Review certification process.

Other

Review any related-party transactions.

#### *Audit Committee Oversight*

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the committee to nominate or compensate an external auditor not adopted by the Board of Directors.

#### *Reliance on Certain Exemptions*

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), Subsection 6.1.1(5) (Events Outside Control of Member), Subsection 6.1.1(6) (Death, Incapacity or Resignation) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110 (*Exemptions*).

#### *External Auditor Service Fees (By Category)*

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

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
Oct 31, 2019	\$26,500	Nil	\$4,500	Nil
Oct 31, 2018	\$19,600	Nil	\$4,000	Nil

#### Exemption for Venture Issuers

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Company from the requirements of Part 5 (Reporting Obligations) of NI 52-110.

#### **Other Matters**

Management knows of no other matters to come before the Meeting of shareholders other than referred to in the notice of Meeting. However, if any other matters which are not known to the management of the Corporation shall properly come before the said Meeting, the form of proxy given pursuant to the solicitation

by management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Corporation by mail at 142-1146 Pacific Blvd. Vancouver, BC V6Z 2X7 to request copies of the Corporation's financial statements and MD&A.

Financial information is provided in the Corporation's comparative Audited Annual Financial Statements and MD&A for its most recently completed financial year which are filed on SEDAR.

#### **BOARD APPROVAL**

The Board has approved the content and distribution of this Circular.

Dated at Vancouver, British Columbia, this 19th day of October, 2020.

**BY ORDER OF THE BOARD DIRECTORS  
OF DISTRICT COPPER CORP.**

*"Jevin Werbes"*

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**JEVIN WERBES, PRESIDENT AND CEO**

**SCHEDULE "A"**

**Incorporation Number** \_

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**ARTICLES OF  
DISTRICT COPPER CORP.**  
*BUSINESS CORPORATIONS ACT*  
**BRITISH COLUMBIA**

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**ARTICLES OF  
DISTRICT COPPER CORP.  
(the "Company")**

**1.1 INTERPRETATION**

**1.2** Definitions

In these Articles (the "**Articles**"), unless the context otherwise requires:

- (1) "**appropriate person**" has the meaning assigned in the Securities Transfer Act;
- (2) "**board of directors**", "**directors**" and "**board**" mean the directors of the Company for the time being;
- (3) "**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;
- (4) "**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;
- (5) "**legal personal representative**" means the personal or other legal representative of a shareholder;
- (6) "**protected purchaser**" has the meaning assigned in the Securities Transfer Act;
- (7) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;
- (8) "**seal**" means the seal of the Company, if any;
- (9) "**Securities Act**" means the Securities 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;
- (10) "**securities legislation**" means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; "**Canadian securities legislation**" means the securities legislation in any province or territory of Canada and includes the Securities Act; and "**U.S. securities legislation**"

means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934;

**(11) "Securities Transfer Act"** means the Securities Transfer 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.

### **1.3 Business Corporations Act and Interpretation Act Definitions Applicable**

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

## **PART 2 SHARES AND SHARE CERTIFICATES**

### **2.1 Authorized Share Structure**

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

### **2.2 Form of Share Certificate**

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

### **2.3 Shareholder Entitled to Certificate or Acknowledgment**

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

### **2.4 Delivery by Mail**

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

### **2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the Company is 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, it must, on production to it of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as it thinks 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, Destroyed or Wrongfully Taken Certificate**

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the Company.

- (iii) A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

## **2.7 Recovery of New Share Certificate**

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

## **2.8 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 represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

## **2.9 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the Business Corporations Act, determined by the directors.

## **2.10 Recognition of Trusts**

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

## **PART 3 ISSUE OF SHARES**

### **3.1 Directors Authorized**

*Subject to the 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 value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

### **3.5 Share Purchase Warrants and Rights**

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

## **PART 4 SHARE REGISTERS**

### **4.1 Central Securities Register**

As required by and subject to the Business Corporations Act, the Company must maintain a central securities register, which may be kept in electronic form.

## 4.2 Appointment of Agent

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

If the Company has appointed a transfer agent, references in Articles 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, and 5.7 to the Company include its transfer agent.

## 4.3 Closing Register

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

# PART 5 SHARE TRANSFERS

## 5.1 *Registering Transfers*

The Company must register a transfer of a share of the Company if either:

- (1) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:
  - (a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
  - (b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the Business Corporations Act and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
  - (c) 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, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or
- (2) all the preconditions for a transfer of a share under the Securities Transfer Act have been met and the Company is required under the Securities Transfer Act to register the transfer.

## 5.2 Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Article 5.1(1) and any of the preconditions referred to in Article 5.1(2).

## 5.3 Form of Instrument of Transfer

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

#### **5.4 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.

#### **5.5 Signing of Instrument of Transfer**

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, 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 but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

- (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.

#### **5.6 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.

#### **5.7 Transfer Fee**

Subject to the applicable rules of any stock exchange on which the shares of the Company may be listed, there must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the directors.

## **PART 6 TRANSMISSION OF SHARES**

#### **6.1 Legal Personal Representative Recognized on Death**

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

#### **6.2 Rights of Legal Personal Representative**

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles and

applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the Securities Transfer Act has 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.

## **PART 7 ACQUISITION OF COMPANY'S SHARES**

### **7.1 Company Authorized to Purchase or Otherwise Acquire Shares**

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the Business Corporations Act and applicable securities legislation, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

### **7.2 No Purchase, Redemption or Other Acquisition 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 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares**

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell 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.

## **PART 8 BORROWING POWERS**

### **8.1 Borrowing Powers**

The Company, if authorized by the directors, may:

- (1)** borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that 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 the directors 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.

## **PART 9 ALTERATIONS**

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

Subject to Articles 9.2 and 9.3, the special rights or restrictions attached to the shares of any class or series of shares and the Business Corporations Act, the Company may:

- (1)** by ordinary resolution:
  - (a)** create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (b)** increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (c)** 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;
  - (d)** change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
  - (e)** alter the identifying name of any of its shares; or
  - (f)** otherwise alter its shares or authorized share structure when required or permitted to do so by the Business Corporations Act;

and, if applicable, alter its Notice of Articles and Articles accordingly; or

- (2)** by resolution of the directors, subdivide or consolidate all or any of its unissued, or fully paid issued, shares and if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

### **9.2** Special Rights or Restrictions

Subject to the special rights or restrictions attached to any class or series of shares and the Business Corporations Act, the Company may by ordinary resolution:

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

and alter its Articles and Notice of Articles accordingly.

### **9.3** No Interference with Class or Series Rights without Consent

A right or special right attached to issued shares must not be prejudiced or interfered with under the Business Corporations Act, the Notice of Articles or these Articles unless the holders of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

#### **9.4 Change of Name**

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

#### **9.5 Other Alterations**

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

### **PART 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 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, either in or outside British Columbia, as may be determined by the directors.

#### **10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution 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, to be held at such time and place, either in or outside British Columbia, as may be determined by the directors.

#### **10.4 Notice for Meetings of Shareholders**

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

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

#### **10.5 Record Date for Notice and Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of, and to vote at, any meeting of shareholders.

#### **10.6 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 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.

#### **10.7 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 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.

#### **10.8 Class Meetings and Series Meetings of Shareholders**

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

#### **10.9 Electronic Meetings**

The directors may determine that a meeting of shareholders shall be held entirely by means of telephonic, electronic or other communication facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the directors determine to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

#### **10.10 Advance Notice Provisions**

##### **(1) Nomination of Directors**

Subject only to the Business Corporations Act and these Articles, only persons who are nominated in accordance with the procedures set out in this Article 10.10 shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

- (a)** by or at the direction of the board or an authorized officer of the Company, including

pursuant to a notice of meeting;

- (b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the Business Corporations Act or a valid requisition of shareholders made in accordance with the provisions of the Business Corporations Act; or
- (c) by any person entitled to vote at such meeting (a "**Nominating Shareholder**"), who:
  - (i) is, at the close of business on the date of giving notice provided for in this Article 10.10 and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Company; and
  - (ii) has given timely notice in proper written form as set forth in this Article 10.10.

## (2) Exclusive Means

For the avoidance of doubt, this Article 10.10 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

## (3) Timely Notice

In order for a nomination made by a Nominating Shareholder to be timely notice (a "**Timely Notice**"), the Nominating Shareholder's notice must be received by the corporate secretary of the Company at the principal executive offices or registered office of the Company:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 30<sup>th</sup> day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the "**Notice Date**") is less than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15<sup>th</sup> day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer) is used for delivery of proxy related materials in respect of a meeting described in Article 10.10(3)(a) or 10.10(3)(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40<sup>th</sup> day before the date of the applicable meeting.

## (4) Proper Form of Notice

To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with all the provisions of this Article 10.10 and disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):
  - (i) the name, age, business and residential address of the Proposed Nominee;

- (ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;
  - (iii) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
  - (v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Business Corporations Act or applicable securities law; and
  - (vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as director under the provisions of subsection 124(2) of the Business Corporations Act; and
- (b)** as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:
- (i) their name, business and residential address;
  - (ii) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;
  - (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;
  - (iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
  - (v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;
  - (vi) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends

to appear in person or by proxy at the meeting to propose such nomination;

- (vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and
- (viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act or as required by applicable securities law.

Reference to "**Nominating Shareholder**" in this section 10.10(4) shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

**(5) Currency of Nominee Information**

All information to be provided in a Timely Notice pursuant to this Article 10.10 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

**(6) Delivery of Information**

Notwithstanding Part 23 of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to this Article 10.10 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Vancouver time) and otherwise on the next business day.

**(7) Defective Nomination Determination**

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Article 10.10, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

**(8) Failure to Appear**

Despite any other provision of this Article 10.10, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Company to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.

**(9) Waiver**

The board may, in its sole discretion, waive any requirement in this Article 10.10.

**(10) Definitions**

For the purposes of this Article 10.10, "**public announcement**" means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at

## **PART 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 non-binding advisory vote.

### **11.2 Special Majority**

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

### **11.3 Quorum**

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, a quorum for the transaction of business at a meeting of shareholders is present if shareholders who, in the aggregate, hold at least 25% of the voting rights attached to issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

### **11.4 One Shareholder May Constitute Quorum**

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

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

### **11.5 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 officers, 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 proxy holder entitled to vote at the meeting.

### **11.6 Requirement of Quorum**

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

### **11.7 Lack of Quorum**

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

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

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

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

### **11.9 Chair**

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

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

### **11.10 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

### **11.11 Adjournments**

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

### **11.12 Notice of Adjourned Meeting**

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

### **11.13 Electronic Voting**

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities, if the directors determine to make them available, whether or not persons entitled to attend participate in the meeting by means of communications facilities.

### **11.14 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 or the functional equivalent of a show of hands by means of electronic, telephonic or other communications facility, unless a poll, before or on the declaration of the result of the vote by show of hands or the functional equivalent of a show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

### **11.15 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 its functional equivalent) 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 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### **11.16 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.

### **11.17 Casting Vote**

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

### **11.18 Manner of Taking Poll**

Subject to Article 11.19, 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.

### **11.19 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.

#### **11.20 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.

#### **11.21 Casting of Votes**

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

#### **11.22 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.

#### **11.23 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 the meeting for the transaction of any business other than the question on which a poll has been demanded.

#### **11.24 Retention of Ballots and Proxies**

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

## **PART 12 VOTES OF SHAREHOLDERS**

### **12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under 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, 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 or postponed meeting; or
  - (b) at the meeting or any adjourned or postponed meeting, by the chair of the meeting or adjourned or postponed meeting or by a person designated by the chair of the meeting or adjourned or postponed 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 or its transfer agent by written instrument, fax or any other method of transmitting legibly recorded messages.

#### 12.6 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;
- (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; or

- (4) the Company is a public company.

#### **12.7** When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

#### **12.8** Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communications facility in addition to or in substitution for instructing proxy holders by mail.

#### **12.9** Alternate Proxy Holders

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

#### **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;
- (2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting; or
- (3) be received in any other manner determined by the board or the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages or by using such available internet or telephone voting services as may be approved by the directors.

#### **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 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 Chair May Determine Validity of Proxy.**

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

**12.16 Production of Evidence of Authority to Vote**

The board or the chair of any meeting of shareholders may, but need not, at any time (including before, at or subsequent to the meeting) inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence for the purposes of determining a person's share

ownership as at the relevant record date and the authority to vote.

## **PART 13 DIRECTORS**

### **13.1** Number of Directors

The Company shall have a minimum of three and a maximum of 15 directors. The number of directors is the number within the minimum and maximum determined by the directors from time to time. If the number of directors has not been determined as provided in this section, the number of directors is the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, or by the directors pursuant to Article 14.7.

### **13.2** Change in Number of Directors

If the number of directors is set under Article 13.1:

- (1)** the shareholders may elect the directors needed to fill any vacancies in the board of directors up to that number; or
- (2)** the directors, subject to Article 14.7, may appoint directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

### **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 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.

### **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, or not in his or her capacity as, 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 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.

**PART 14**  
**ELECTION AND REMOVAL OF DIRECTORS**

**14.1 Election at Annual General Meeting**

At every annual general meeting and in every unanimous resolution contemplated by 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 by the directors under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment, subject to being nominated in accordance with Article 10.10.

**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; or
- (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.

**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 Directors May Fill Casual Vacancies**

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

**14.5 Remaining Directors' Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or 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.

**14.6 Shareholders May Fill Vacancies**

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

#### **14.7 Additional Directors**

Notwithstanding Article 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 14.7 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.7.

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, subject to being nominated in accordance with Article 10.10.

#### **14.8 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 14.9 or 14.10.

#### **14.9 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.

#### **14.10 Removal of Director by Directors**

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

## **PART 15 POWERS AND DUTIES OF DIRECTORS**

#### **15.1 Powers of Management**

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

## **15.2 Appointment of Attorney of Company**

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

## **PART 16 INTERESTS OF DIRECTORS AND OFFICERS**

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

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

### **16.2 No Disqualification**

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

### **16.3 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.

## **PART 17 PROCEEDINGS OF DIRECTORS**

### **17.1 Meetings of Directors**

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

### **17.2 Voting at Meetings**

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

### **17.3 Chair of Meetings**

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

- (1)** the chair of the board, if any; or

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

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

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

- (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 17.4 is deemed for all purposes of the Business Corporations Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

#### **17.5 Calling of Meetings**

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

#### **17.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1 or as provided in Article 17.7, 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 by any method set out in Article 23.1 or orally or by telephone conversation with a director.

#### **17.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the directors to a 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 has waived notice of the meeting.

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

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

### **17.9 Waiver of Notice of Meetings**

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

Attendance of a director at a meeting of the directors is a waiver of notice of the meeting, unless that 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.

### **17.10 Quorum**

The quorum necessary for the transaction of the business of the directors is a majority of the number of directors in office or such other number as the directors may determine from time to time.

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

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

### **17.12 Consent Resolutions in Writing**

A resolution of the directors or of any committee of the directors 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 17.12 may be by any written instrument, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. 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 17.12 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 the 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.

## **PART 18 BOARD COMMITTEES**

### **18.1 Appointment and Powers of Committees**

The directors may, by resolution:

- (1)** appoint one or more committees 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 or appoint additional directors;
  - (c) the power to set the number of directors;
  - (d) the power to create a committee of directors, create or modify the terms of reference for a committee of the directors, or change the membership of, or fill vacancies in, any committee of the directors;
  - (e) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation permitted by paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### 18.2 Obligations of Committees

Any committee appointed under Article 18.1, in the exercise of the powers delegated to it, must:

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

### 18.3 Powers of Board

The directors may, at any time, with respect to a committee appointed under Article 18.1:

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

### 18.3 Committee Meetings

Subject to Article 18.2(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 Article 18.1:

- (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;

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

## PART 19 OFFICERS

### 19.1 Directors May Appoint Officers

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

may, at any time, terminate any such appointment.

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

The directors may, for each officer:

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

## **19.2 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 a managing director must be a director. Any other officer need not be a director.

## **19.3 Remuneration and Terms of Appointment**

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

# **PART 20 INDEMNIFICATION**

## **20.1 Definitions**

In this Part 20:

- (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 or former director or an officer or former officer of the Company (each, 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 officer 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;
- (4)** "officer" means an officer appointed by the board of directors.

## **20.2 Mandatory Indemnification of Directors and Officers**

Subject to the Business Corporations Act, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and

reasonably incurred by such person in respect of that proceeding to the fullest extent permitted by the Business Corporations Act.

### **20.3 Deemed Contract**

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

### **20.4 Permitted Indemnification**

Subject to any restrictions in the Business Corporations Act, the Company may indemnify any person, including directors, officers, employees, agents and representatives of the Company.

### **20.5 Non-Compliance with Business Corporations Act**

The failure of a director or officer of the Company to comply with the Business Corporations Act or these Articles does not invalidate any indemnity to which he or she is entitled under this Part 20.

### **20.6 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, officer, employee or agent of the Company;
- (2)** is or was a 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, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4)** at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

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

## **PART 21 DIVIDENDS**

### **21.1 Payment of Dividends Subject to Special Rights**

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

### **21.2 Declaration of Dividends**

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

### **21.3 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 21.2.

### **21.4 Record Date**

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

#### **21.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly 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.

#### **21.6 When Dividend Payable**

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

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

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

#### **21.8 Receipt by Joint Shareholders**

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

#### **21.9 Dividend Bears No Interest**

No dividend bears interest against the Company.

#### **21.10 Fractional Dividends**

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

#### **21.11 Payment of Dividends**

Any dividend or other distribution payable in money in respect of shares may be paid;

- (1)** 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; or
- (2)** by electronic transfer, if so authorized by the shareholder.

The mailing of such cheque or the forwarding by electronic transfer will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

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

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

capitalized or any part thereof.

## **PART 22 ACCOUNTING RECORDS AND AUDITOR**

### **22.1** Recording of Financial Affairs

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

### **22.2** Inspection of Accounting Records

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

### **22.3** Remuneration of Auditor

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

## **PART 23 NOTICES**

### **23.1** Method of Giving Notice

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

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

- (6) creating and providing a record posted on or made available through a general accessible electronic source and providing written notice by any of the foregoing methods as to the availability of such record; or
- (7) as otherwise permitted by applicable securities legislation.

### **23.2 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 23.1 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 23.1 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 23.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and
- (4) delivered in accordance with Section 23.1(6), is deemed to be received by the person on the day such written notice is sent.

### **23.3 Certificate of Sending**

A certificate signed by the corporate 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 23.1 is conclusive evidence of that fact.

### **23.4 Notice to Joint Shareholders**

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

### **23.5 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:
- (2) 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
- (3) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (4) 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.

### **23.6 Undelivered Notices**

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 and on each of those occasions any such record is returned because the shareholder cannot be

located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

**PART 24  
SEAL**

**24.1 Who May Attest Seal**

Except as provided in Articles 24.1(2) and 24.1(3), the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

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

**24.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, 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.

**24.3 Mechanical Reproduction of Seal**

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Business Corporations Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 24.1 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.

Dated \_\_\_\_\_, 2020.

FULL NAME AND SIGNATURE OF ONE OF  
THE DIRECTORS PURSUANT TO S. 302(1)(C)  
OF THE BUSINESS CORPORATIONS ACT  
(BRITISH COLUMBIA)

\_\_\_\_\_  
[NAME OF DIRECTOR]

## **SCHEDULE "B"**

### **DISSENT RIGHTS**

#### **SECTION 190 OF THE CANADA BUSINESS CORPORATIONS ACT 190.**

- (1) Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to
  - (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
  - (b) amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
  - (c) amalgamate otherwise than under section 184;
  - (d) be continued under section 188;
  - (e) sell, lease or exchange all or substantially all its property under subsection 189(3); or
  - (f) carry out a going-private transaction or a squeeze-out transaction
- (2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.
  - (2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.
- (3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.
- (6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.
- (7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing
  - (a) the shareholder's name and address;
  - (b) the number and class of shares in respect of which the shareholder dissents; and
  - (c) a demand for payment of the fair value of such shares.

- (8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.
- (9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.
- (10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.
- (11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where
  - (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
  - (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
  - (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

- (12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice
  - (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
  - (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.
- (13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.
- (14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.
- (15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.
- (16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.
- (17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place

where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.

- (18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).
- (19) On an application to a court under subsection (15) or (16),
  - (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
  - (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.
- (20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.
- (21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.
- (22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.
- (23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.
- (24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.
- (25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may
  - (a) withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
  - (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.
- (26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that
  - (a) the corporation is or would after the payment be unable to pay its liabilities as they become due; or
  - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

## SCHEDULE “C”

### **Compensation Discussion and Analysis**

The purpose of this Compensation Discussion and Analysis is to provide information about the Company’s executive compensation objectives and processes and to discuss compensations decisions relating to its NEOs listed in the Summary Compensation table below.

The Board as a whole determines the level of compensation in respect of the Company’s senior executives. The Compensation Committee is appointed by and reports to the Board. The Compensation Committee, on behalf of the Board, establishes policies with respect to the compensation of the Company’s CEO, CFO and other senior executive officers. The Compensation Committee assists the Board in discharging the Board’s oversight responsibilities relating to the attraction, compensation, evaluation and retention of key senior management employees, and in particular the CEO, with the skills and expertise needed to enable the Company to achieve its goals and strategies at fair and competitive compensation and appropriate performance incentives.

The Compensation Committee is responsible to review and approve corporate goals and objectives relevant to the Co- CEOs and other senior executive officers’ compensation, evaluate the performance of the CEO and each senior executive officer’s performance in light of those goals and objectives, and recommend to the Board for approval the compensation level each senior executive officer based on this evaluation. The Compensation Committee is also responsible for the review of the Company’s compensation systems in order to ensure the fairness and appropriateness of the compensation of senior executive officers that may participate, including incentive compensation plans and equity-based plans.

See “*Statement of Corporate Governance Practices*” for further details with respect the composition, policy and practices of the Compensation Committee.

#### *Objectives of the Compensation Program*

The primary objective of the Company’s executive compensation program is to attract, motivate and retain top quality individuals at the executive level who possess the experience and skills needed to improve the overall performance of the organization, by providing a reasonable and competitive compensation package that is consistent with market- based practices. The program is designed to ensure that the compensation provided to the Company’s senior executive officers is determined with regard to the Company’s corporate goals and objectives, such that the financial interests of the senior executive officers are consistent with the financial interests of the Shareholders.

The following principles guide the Company’s executive compensation program:

- compensation levels and opportunities must be market-competitive to attract and retain qualified and experienced executives, while being fair and reasonable to Shareholders;
- compensation must incorporate an appropriate balance of short- and long-term rewards; and
- compensation programs must align executives’ long-term financial interests with those of Shareholders by providing equity-based incentives.

The ability to attract, hire, and retain effective, experienced leadership in a highly-competitive growth industry ensures the foundational stability of the Company while driving business expansion toward new opportunities. This supports long-term interests of the Company and drives value for Shareholders.

#### *Design of the Compensation Program*

The Company’s executive compensation program is based on a pay-for-performance philosophy to achieve

the following overall goals:

- encourage the attraction, motivation, and retention of key employees needed to drive the business strategy; and
- reward these key employees for financial and operating performance, and leadership excellence.

The total executive compensation package includes elements designed to compensate executives fairly for their employment while encouraging personal initiative and targeting corporate-wide performance levels to achieve the Company's strategic and business objectives over the short and long term.

#### *Industry-Competitive Compensation Model*

Each year, the Compensation Committee evaluates the competitiveness of the Company's compensation program. The Compensation Committee reviews the executive compensation levels of the Company's peers to assess the competitive levels for each of the elements of NEO compensation (base salary, annual incentive and long-term incentives). This assessment ensures the NEOs of the Company are fairly paid a commensurate or industry-competitive salary that aligns with earnings of other executive officers holding comparable positions with similar publicly traded entities.

The Compensation Committee will continue to assess the appropriateness of the Company's compensation peers as the Company and sector continue to grow, evolve and mature.

#### *Elements of Compensation*

In determining such compensation, the Committee will consider the Company's performance and relative Shareholder return and the compensation of CEO and other senior executive officers at comparable companies. Additionally, the Committee may consider input from the CEO on senior executive compensation, but the CEO may not provide input with respect to his or her own compensation;

A combination of fixed and variable compensation is used to motivate executives to achieve overall company goals. The basic components of the executive compensation program are:

- Base salary: designed to provide income certainty and to attract and retain executives – to set base compensation levels, the Compensation Committee will give consideration to objective factors such as level of responsibility, experience and expertise and subjective factors such as leadership, commitment and attitude;
- Annual bonus: intended to reward each executive for his or her yearly individual contribution and performance of personal objectives in the context of the overall annual performance of the Company. The bonus is designed to motivate executives annually to achieve their predetermined objectives;
- Stock Options (as defined hereinafter): Granted from time to time as a form of long-term incentive compensation, to align executives' interests with those of the Company and its Shareholders and to attract and retain executives. Participants benefit only if the market value of the Company's Common Shares at the time of the Stock Option exercise is greater than the exercise price of the Stock Options at the time of grant;

It is expected that Stock Options held by management will be taken into consideration by the Compensation Committee at the time of any subsequent grants under the compensation plan in determining the quantum or terms of any such subsequent award grants. The Compensation Committee will further consider the base salary, bonuses and competitive market factors. The size of a grant of an award is anticipated to be proportionate to the deemed ability of the individual to make an impact on the Company's success, as determined by the Board.

The Company does not have a defined benefits plan, defined contribution plan, deferred compensation or pension or retirement plan applicable to its NEOs and no plans are currently in place in respect of change of control or termination.

The Company has implemented a health benefits plan for its employees.

*Company and CEO Objectives*

*Risk of Compensation Practices and Disclosure*

There were no identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. Although the Company does not have formal policies specifically targeting risk-taking in a compensation context, the practice of Compensation Committee and the Board is to consider all factors relating to an executive officer's performance, including any risk mitigation efforts or excessive risk-taking, in determining compensation.

The Company also maintains an insurance policy for its directors and officers against liability incurred by them while performing their duties, subject to certain limitations.