

## **PACIFIC RIDGE EXPLORATION LTD.**

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### **MANAGEMENT INFORMATION CIRCULAR AS AT AND DATED MAY 17, 2024 (unless otherwise noted)**

This Management Information Circular ("**Information Circular**") accompanies the Notice of the 2024 Annual General and Special Meeting ("**Notice of Meeting**") of holders of common shares ("**shareholders**") of Pacific Ridge Exploration Ltd. (the "**Company**") scheduled to be held on June 27, 2024 (the "**Meeting**") and is furnished in connection with a solicitation of proxies for use at that Meeting and at any adjournment or postponement thereof.

#### **PERSONS OR COMPANIES MAKING THE SOLICITATION**

THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR  
IS BEING SOLICITED BY MANAGEMENT OF THE COMPANY

Solicitations will be made by mail and possibly supplemented by telephone, electronic means or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company may reimburse shareholders' nominees or agents for the cost incurred in obtaining from their principal's authorization to execute forms of proxy. It is not anticipated that any solicitation will be made by specially engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information 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 Company. The delivery of this Information 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 Information Circular. This Information 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.

#### **APPOINTMENT OF PROXYHOLDER**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Those shareholders so desiring may be represented by proxy at the Meeting. The persons named in the form of proxy accompanying this Information Circular are directors and/or officers of the Company ("**Management Appointees**"). **A shareholder has the right to appoint a person or company (who need not be a shareholder) to attend and act on the shareholder's behalf at the Meeting other than the Management Appointees.** To exercise this right, the shareholder must either insert the name of the desired person in the blank space provided in the form of proxy accompanying this Information Circular and strike out the names of the Management Appointees or submit another proper form of proxy.

## NON-REGISTERED SHAREHOLDERS

Only shareholders whose names appear on the records of the Company (“registered shareholders”) or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are not registered shareholders because the shares they own are not registered in their names. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the shares including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered 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 (“CDS”)) of which the Intermediary is a participant. In accordance with current securities regulatory policy, the Company has distributed proxy-related materials for the Meeting (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries.

Current securities regulatory policy requires Intermediaries to forward the Meeting Materials to, and to seek voting instructions from, Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Intermediaries will often use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete this form of proxy and **submit it to the Company, c/o Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, fax number: (416) 263-9261;** or
- (b) more typically, be given a voting instruction or proxy authorization form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company** (such as Broadridge Financial Solutions Inc.), will constitute voting instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for this proxy form to validly constitute a proxy authorization form, the Non-Registered Holder must remove the label from the instructions and affix it to the proxy form, properly complete and sign the proxy form and return it to the Intermediary or its service company, or otherwise communicate voting instructions to the Intermediary or its service company (by way of telephone or the Internet, for example) in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Holder cannot use a proxy authorization form to vote shares directly at the Meeting.**

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own.

The Meeting Materials are being sent to both registered and non-registered owners of shares. If you are a Non-Registered Holder and the Company or its agent has sent the Meeting Materials directly to you as a non-objecting beneficial owner under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), 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 shares on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding shares on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Management of the Company does not intend to pay for Intermediaries to forward to objecting beneficial owners under NI 54-101 the Meeting Materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in the case of an objecting beneficial owner, the objecting beneficial owner will not receive the Meeting Materials unless the Intermediary holding shares on behalf of the objecting beneficial owner assumes the cost of delivery.

**Non-Registered Holders cannot be recognized at the Meeting for purposes of voting their shares in person or by way of depositing a form of proxy.** If you are a Non-Registered Holder and wish to vote in person at the Meeting, please see the voting instructions you received or contact your Intermediary well in advance of the Meeting to determine how you can do so.

**Non-Registered Holders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their shares voted at the Meeting.**

## DEPOSIT AND VOTING OF PROXIES

To be effective, the instrument of proxy must be dated and signed and, together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof, deposited either at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, or at the Head Office of the Company at 11<sup>th</sup> Floor, 1111 Melville Street, Vancouver, British Columbia V6E 3V6, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment or postponement thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in the Chairman's discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

THE SHARES REPRESENTED BY A PROPERLY EXECUTED AND DEPOSITED PROXY WILL BE VOTED OR WITHHELD FROM VOTING ON EACH MATTER REFERRED TO IN THE NOTICE OF MEETING IN ACCORDANCE WITH THE INSTRUCTIONS GIVEN (PROVIDED SUCH INSTRUCTIONS ARE CERTAIN) ON ANY BALLOT THAT MAY BE CALLED FOR AND, IF A CHOICE IS SPECIFIED WITH RESPECT TO ANY MATTER TO BE ACTED UPON AT THE MEETING, THE SHARES SHALL BE VOTED OR WITHHELD FROM VOTING ACCORDINGLY. **WHERE NO CHOICE IS SPECIFIED IN RESPECT OF ANY MATTER TO BE ACTED UPON AND ONE OF THE MANAGEMENT APPOINTEES IS NAMED IN THE FORM OF PROXY TO ACT AS THE SHAREHOLDER'S PROXYHOLDER, THE SHARES REPRESENTED BY THE PROXY WILL BE VOTED IN FAVOUR OF ALL SUCH MATTERS.** THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR GIVES THE PERSON OR COMPANY NAMED AS PROXYHOLDER DISCRETIONARY AUTHORITY REGARDING AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND OTHER MATTERS THAT MAY PROPERLY COME BEFORE THE MEETING. IN THE EVENT THAT AMENDMENTS OR VARIATIONS TO MATTERS IDENTIFIED IN THE NOTICE OF MEETING ARE PROPERLY BROUGHT BEFORE THE MEETING OR ANY OTHER BUSINESS IS PROPERLY BROUGHT BEFORE THE MEETING, IT IS THE INTENTION OF THE MANAGEMENT APPOINTEES TO VOTE IN ACCORDANCE WITH THEIR BEST JUDGMENT ON SUCH MATTERS OR BUSINESS ON ANY BALLOT THAT MAY BE CALLED FOR. AT THE TIME OF PRINTING THIS INFORMATION CIRCULAR, MANAGEMENT KNOWS OF NO SUCH AMENDMENTS, VARIATIONS OR OTHER MATTERS WHICH MAY BE BROUGHT BEFORE THE MEETING.

## REVOCABILITY OF PROXY

In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the registered shareholder or the registered shareholder's attorney authorized in writing, or if the registered shareholder is a corporation, by a duly authorized officer or attorney thereof, and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or, as to any matter in respect of which a vote shall not already have been cast pursuant to such proxy, with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, and upon either of such deposits the proxy is revoked.

Only registered shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must arrange for their Intermediaries to revoke the proxy on their behalf.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company's authorized share structure consists of an unlimited number of common shares without par value. There is one class of shares only and there are 151,338,485 common shares issued and outstanding. The directors have determined that all shareholders of record as of the 17<sup>th</sup> day of May, 2024 will be entitled to receive notice of and to vote at the Meeting.

At a General Meeting of the Company, on a show of hands, every registered shareholder present in person and entitled to vote and every proxyholder duly appointed by a registered shareholder who would have been entitled to vote shall have one vote and, on a poll, every registered shareholder present in person or represented by proxy or other proper authority and entitled to vote shall have one vote for each share of which such shareholder is the registered holder. Shares represented by proxy will only be voted as to the number of shares represented if a poll or ballot is called for. A poll or ballot may be requested by a registered shareholder or proxyholder present and entitled to vote at the Meeting or required because the number of votes attached to shares represented by proxies that are to be voted against a matter is greater than 5% of the votes attached to all shares that are entitled to be voted and to be represented at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the date of this Information Circular, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the outstanding voting rights of the Company, other than:

Name	Number of Shares	Percentage
Crescat Portfolio Management LLC <sup>(1)</sup>	22,590,905 <sup>(2)</sup>	14.93%
AuRico Metals Inc.	16,996,099	11.23%

(1) Shares are held by Crescat Portfolio Management LLC and its joint actors (Kevin Smith, Kevin Smith 401K Plan, Linda Smith, and Kevin and Linda Smith Living Trust dtd 7/21/1998).

(2) Shareholdings reported as at March 31, 2024. Crescat Portfolio Management LLC and its joint actors (noted above) also hold 6,082,320 share purchase warrants of the Company.

## STATEMENT OF EXECUTIVE COMPENSATION

“Named executive officer” or “NEO” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“CEO”);
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“CFO”);
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

During the year ended December 31, 2023, the Company had four NEOs: Blaine Monaghan, CEO, Salvador Miranda, CFO, Danette Schwab, Vice President of Exploration and C. Paul Jago, Chief Geologist.

### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table of compensation, excluding options and compensation securities, provides a summary of the compensation payable by the Company to each NEO and director of the Company for the two most recently completed financial years ended December 31, 2023 and December 31, 2022:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Blaine Monaghan</b> <sup>(1)</sup> <i>CEO &amp; Director</i>	2023	217,875	Nil	Nil	Nil	Nil	217,875
	2022	205,840	Nil	Nil	Nil	Nil	205,840
<b>Salvador Miranda</b> <sup>(2)</sup> <i>CFO</i>	2023	92,000	Nil	Nil	Nil	Nil	92,000
	2022	68,000	Nil	Nil	Nil	Nil	68,000
<b>Danette Schwab</b> <i>VP Exploration</i>	2023	171,875	Nil	Nil	Nil	Nil	171,875
	2022	160,000	Nil	Nil	Nil	Nil	160,000
<b>C. Paul Jago</b> <i>Chief Geologist</i>	2023	171,875	Nil	Nil	Nil	Nil	171,875
	2022	90,750	Nil	Nil	Nil	Nil	90,750
<b>Gerald G. Carlson</b> <i>Chairman &amp; Director</i>	2023	110,000	Nil	Nil	Nil	Nil	110,000
	2022	102,400	Nil	Nil	Nil	Nil	102,400
<b>Bruce Youngman</b> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Borden Putnam III</b> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil
<b>Gary Baschuk</b> <i>Director</i>	2023	Nil	Nil	Nil	Nil	Nil	Nil
	2022	Nil	Nil	Nil	Nil	Nil	Nil

(1) All compensation received by Blaine Monaghan was for his position as CEO.

(2) Salvador Miranda provided his services as CFO through InterAmerica Consulting & Development Inc., a private company controlled by Mr. Miranda.

## Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted to each NEO and director by the Company for services provided, directly or indirectly, to the Company during the financial year ended December 31, 2023.

Compensation Securities							
Name and position	Type of Compensation security	Number of compensation securities, number of underlying securities <sup>(1)</sup> , and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Blaine Monaghan</b> <sup>(2)</sup> <i>CEO &amp; Director</i>	stock options	400,000 4.3%	February 1, 2023	0.30	0.265	0.155	February 1, 2028
<b>Salvador Miranda</b> <sup>(3)</sup> <i>CFO</i>	stock options	150,000 1.6%	February 1, 2023	0.30	0.265	0.155	February 1, 2028
<b>Danette Schwab</b> <sup>(4)</sup> <i>VP Exploration</i>	stock options	225,000 2.4%	February 1, 2023	0.30	0.265	0.155	February 1, 2028
<b>C. Paul Jago</b> <sup>(5)</sup> <i>Chief Geologist</i>	stock options	275,000 2.3%	February 1, 2023	0.30	0.265	0.155	February 1, 2028
<b>Gerald G. Carlson</b> <sup>(6)</sup> <i>Chairman &amp; Director</i>	stock options	325,000 3.5%	February 1, 2023	0.30	0.265	0.155	February 1, 2028
<b>Bruce Youngman</b> <sup>(7)</sup> <i>Director</i>	stock options	250,000 2.7%	February 1, 2023	0.30	0.265	0.155	February 1, 2028
<b>Borden Putnam III</b> <sup>(8)</sup> <i>Director</i>	stock options	250,000 2.7%	February 1, 2023	0.30	0.265	0.155	February 1, 2028
<b>Gary Baschuk</b> <sup>(9)</sup> <i>Director</i>	stock options	300,000 3.2%	February 1, 2023	0.30	0.265	0.155	February 1, 2028

(1) Each outstanding stock option of the Company entitles the holder thereof to acquire, upon exercise, one common share in the capital of the Company.

(2) As at December 31, 2023, Blaine Monaghan held 1,450,000 stock options of the Company.

(3) As at December 31, 2023, Salvador Miranda held 450,000 stock options of the Company.

(4) As at December 31, 2023, Danette Schwab held 1,175,000 stock options of the Company.

(5) As at December 31, 2023, C. Paul Jago held 575,000 stock options of the Company.

(6) As at December 31, 2023, Gerald G. Carlson held 1,225,000 stock options of the Company.

(7) As at December 31, 2023, Bruce Youngman held 600,000 stock options of the Company.

(8) As at December 31, 2023, Borden Putnam III held 750,000 stock options of the Company.

(9) As at December 31, 2023, Gary Baschuk held 750,000 stock options of the Company.

The following table sets out each exercise by NEOs and directors of compensation securities during the financial year ended December 31, 2023.

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of Compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
<b>Blaine Monaghan</b> <i>CEO &amp; Director</i>	stock options	50,000	0.05	December 8, 2023	0.15	0.10	5,000
<b>Salvador Miranda</b> <i>CFO</i>	stock options	100,000	0.05	December 11, 2023	0.145	0.095	9,500
<b>Danette Schwab</b> <i>VP Exploration</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A

<b>C. Paul Jago</b> <i>Chief Geologist</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A
<b>Gerald G. Carlson</b> <i>Chairman &amp; Director</i>	stock options	350,000	0.05	December 11, 2023	0.145	0.095	33,250
<b>Bruce Youngman</b> <i>Director</i>	stock options	150,000	0.05	December 14, 2023	0.16	0.11	16,500
<b>Borden Putnam III</b> <i>Director</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A
<b>Gary Baschuk</b> <i>Director</i>	stock options	Nil	N/A	N/A	N/A	N/A	N/A

### **Stock Option Plans and Other Incentive Plans**

The Company has adopted a stock option plan for the purpose of attracting and motivating directors, officers, employees and consultants of the Company and advancing the interests of the Company by affording such persons the opportunity to acquire an equity interest in the Company through rights granted under the stock option plan. “Rolling” stock option plans must receive annual shareholder approval in accordance with the policies of the TSX Venture Exchange and, accordingly, the Company’s stock option plan was ratified by shareholders at the Company’s last annual general meeting held on June 27, 2023. A summary of the stock option plan is included under “Particulars of Matters to be Acted Upon – Stock Option Plan” herein.

### **Employment, Consulting and Management Agreements**

Management functions of the Company are not, to any substantial degree, performed by anyone other than by directors or NEOs of the Company.

Blaine Monaghan provided services of CEO to the Company pursuant to an engagement agreement effective January 4, 2021, and superseded by an engagement agreement with effect from May 13, 2021, whereby Mr. Monaghan received annual consideration of \$199,200. The engagement agreement was amended on May 1, 2022 to increase the annual consideration to \$209,160 and further amended on March 1, 2023 to increase the annual consideration to \$219,618. The agreement may be terminated by Mr. Monaghan with one-month’s prior written notice. The Company may terminate the agreement for cause with no advance notice and without cause upon payment to Mr. Monaghan of an amount equal to the annual fee. Upon a change of control, as defined in the agreement, Mr. Monaghan is entitled to an amount equal to two times his annual consideration. Upon a change of control and assuming the triggering event took place on the last business day of the Company’s most recently completed financial year, the estimated payment to Mr. Monaghan would be \$439,236.

Gerald Carlson provided services to the Company pursuant to an employment agreement dated August 1, 2021. The employment agreement was amended on May 1, 2022 to increase the annual fee from \$96,000 to \$105,600 and further amended on March 1, 2023 to increase the annual fee to \$110,880. The Company may terminate the agreement for cause with no advance notice and without cause upon payment to Dr. Carlson of an amount equal to the annual fee. The employment agreement may be terminated by Dr. Carlson with at least one-month’s prior written notice. Upon a change of control, as defined in the agreement, Dr. Carlson shall be paid an amount equal to two times the annual fee. Upon a change of control and assuming the triggering event took place on the last business day of the Company’s most recently completed financial year, the estimated payment to Dr. Carlson would be \$221,760.

Pursuant to a consulting agreement dated March 1, 2021 between the Company and InterAmerica Consulting & Development Inc. (“InterAmerica”), a company controlled by Salvador Miranda, InterAmerica provided the services of Mr. Miranda as Chief Financial Officer of the Company in consideration for a monthly fee of \$5,000. The consulting agreement was amended on May 1, 2022 to increase the monthly fee to \$6,000 and further amended on March 1, 2023 to increase the monthly fee to \$8,000. Either party may terminate the agreement for cause with no advance

notice. InterAmerica may terminate the agreement without cause upon 90-days' written notice. The Company may terminate the agreement without cause upon 90-days' written notice and payment to InterAmerica of an amount equal to the fee for 12 months. Upon a change of control, as defined in the agreement, InterAmerica may elect to terminate the agreement and shall then be paid an amount equal to the fee for 12 months. Upon a change of control and assuming the triggering event took place on the last business day of the Company's most recently completed financial year, the estimated payment to InterAmerica would be \$96,000.

The Company is party to an employment contract with Danette Schwab effective August 1, 2021, pursuant to which Ms. Schwab provided the services of Vice President of Exploration of the Company in consideration for a salary of \$12,500 per month. The employment contract was amended on May 1, 2022 to increase the monthly salary to \$13,750 and further amended on March 1, 2023 to increase the monthly salary to \$14,437.50. The employment contract has an initial term of one year, subject to renewal as mutually agreed, and may be terminated by either party upon 30-days' written notice or at any time upon failure of the other party to comply with the provisions of the agreement. Upon a change of control, as defined in the employment contract, Ms. Schwab may elect to terminate the contract and shall then be paid an amount equal to her monthly salary for 24 months. Upon a change of control and assuming the triggering event took place on the last business day of the Company's most recently completed financial year, the estimated payment to Ms. Schwab would be \$346,500.

The Company is party to an employment contract with C. Paul Jago effective June 13, 2022, pursuant to which Mr. Jago provided the services of Chief Geologist of the Company in consideration for a salary of \$13,750 per month. The employment contract was amended on March 1, 2023 to increase the monthly salary to \$14,437.50. The employment contract has an initial term of one year, subject to renewal as mutually agreed, and may be terminated by either party upon 30-days' written notice or at any time upon failure of the other party to comply with the provisions of the agreement. Upon a change of control, as defined in the employment contract, Mr. Jago may elect to terminate the contract and shall then be paid an amount equal to his monthly salary for 12 months. Upon a change of control and assuming the triggering event took place on the last business day of the Company's most recently completed financial year, the estimated payment to Mr. Jago would be \$173,250.

### **Oversight and Description of Director and Named Executive Officer Compensation**

The Company's Compensation Committee assesses the compensation of directors and officers on an ongoing basis taking into account the responsibilities and obligations involved with such positions as well as the financial status of the Company and makes recommendations to the Board of Directors ("**Board**") in this regard.

The Company is an exploration stage company engaged in the acquisition and exploration of mineral natural resource properties. The Company has no revenues from operations and often operates with limited financial resources to ensure that funds are available to complete scheduled programs. Accordingly, the granting of stock options is an important element of executive compensation which does not require cash disbursement by the Company. In determining compensation with respect to stock option grants, however, the Company is cognizant of the Exchange statement in its Policy 4.4 that: "Incentive stock options are a means of rewarding optionees for future services provided to the Issuer. They are not intended as a substitute for salaries or wages, or as a means of compensation for past services rendered." Based on the recommendations of the Company's Compensation Committee, the Board determines the compensation in the form of stock options to its NEOs, as well as to its directors and certain consultants.



No compensation is tied to one or more performance criteria or goals. No significant events have occurred during the most recently completed financial year that have significantly affected compensation, and no peer group analysis has been conducted in determining NEOs compensation.

### **Pension Disclosure**

The Company does not have any defined benefit plans, defined contribution plans, deferred compensation plans or any other benefit plans in place that provide for payments or benefits at, following, or in connection with retirement.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out the number of the Company's shares to be issued and remaining available for future issuance under the Company's Stock Option Plan at the end of the Company's most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	8,075,000	\$0.27 per share	4,973,756
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	8,075,000	\$0.27 per share	4,973,756

The maximum number of Common shares reserved for issuance under the Company's Stock Option Plan is 10% of the issued and outstanding common shares of the Company on a rolling basis. See "Particulars of Other Matters to be Acted Upon - Stock Option Plan" below for a general description of the Company's Stock Option Plan.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the current or former directors, executive officers or employees of the Company or any of its subsidiaries, no proposed nominee for election as a director of the Company, and no associate or affiliate of any of them is or has been indebted to the Company or any of its subsidiaries at any time since the beginning of the Company's most recently completed financial year nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Company.

## CORPORATE GOVERNANCE

National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines (the “**Guidelines**”) which apply to all public companies in Canada. National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose their governance practices in accordance with NI 58-101. The Company is a “venture issuer” within the meaning of NI 58-101. The Company has reviewed its own corporate governance practices in light of the Guidelines and, as prescribed in NI 58-101 discloses below its corporate governance practices.

The board of directors of the Company (the “**Board**”) believes that good corporate governance improves corporate performance and benefits all shareholders. This section sets out the Company's approach to corporate governance.

### 1. **Board of Directors**

Management has been delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying out the Company's business in the ordinary course, evaluating business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its supervision over management by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions and all financing transactions. Through its Audit Committee, the Board examines the effectiveness of the Company's internal control processes. Upon the recommendations of its Compensation Committee, the Board reviews executive compensation and determines grants of incentive stock options.

The independent directors of the Company are Bruce Youngman and Gary Baschuk based upon the tests for independence set forth in National Instrument 52-110 *Audit Committees*. Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment or is otherwise considered to exist under National Instrument 52-110. Gerald G. Carlson and Blaine Monaghan are not independent directors of the Company because they are members of management and are considered to be in a material relationship with the Company.

### 2. **Directorships**

The following current directors of the Company are also directors of other reporting issuers as listed:

Gerald Carlson: Nil

Blaine Monaghan: Nil

Bruce Youngman: ATAC Resources Ltd. (TSXV), Cascadia Minerals Ltd. (TSXV), Rockhaven Resources Ltd. (TSXV), Silver Range Resources Ltd. (TSXV), Strategic Metals Ltd. (TSXV)

Gary Baschuk: Nil

### 3. **Orientation and Continuing Education**

The CEO and/or the CFO is responsible for providing an orientation for new directors. Director orientation and on-going training will include presentations by senior management to familiarize directors with the Company's strategic plans, its significant financial,

accounting and risk management issues, its compliance programs, its principal officers and its internal and independent auditors.

**4. Ethical Business Conduct**

The Company does not have a written code of ethical business conduct for its directors, officers and employees. Each director, officer and employee is expected to comply with relevant corporate and securities laws and, where applicable, the terms of their employment agreements. In addition, each director, officer and employee is expected to comply with the Company's Corporate Disclosure Policy, Insider Trading Policy and Whistle Blower Policy.

**5. Nomination of Directors**

When a Board vacancy occurs or is contemplated, any director may make recommendations to the Board as to qualified individuals for nomination to the Board. In identifying new candidates, the directors will take into account the mix of director characteristics and diverse experiences, perspectives and skills appropriate for the Company at that time.

**6. Compensation**

The Company's Compensation Committee is responsible for reviewing all compensation strategies, objectives and policies; annually reviewing and assessing the performance of the executive officers; reviewing executive officer appointments and recommending the compensation of executive officers and directors to the Board. The Compensation Committee reviews and makes recommendations to the Board regarding compensation in the form of stock option grants to its directors and executive officers as well as director's fees, if any, from time to time. Executive officers and directors may be compensated in cash and/or equity for their expert advice and contribution towards the success of the Company. The form and amount of such compensation will be evaluated by the Compensation Committee, which will be guided by the following goals:

- (i) compensation should be commensurate with the time spent by executive officers and directors in meeting their obligations and reflective of the compensation paid by companies similar in size and business to the Company, and
- (ii) the structure of the compensation should be simple, transparent and easy for shareholders to understand. Shareholders will be given the opportunity to vote on all new or substantially revised equity compensation plans for directors as required by regulatory policies.

**7. Other Board Committees**

Other than the Audit Committee (discussed below) and Compensation Committee, the Board has no other standing committees.

**8. Assessments**

The Board does not have a formal process to assess its effectiveness and the Board does not formally assess the performance of its committees or individual Board members.

## AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company is comprised of Bruce Youngman (Chair), Gary Baschuk and Gerald Carlson, all of whom are considered to be “financially literate” and the majority of whom are “independent”, as those terms are defined in National Instrument 52-110 *Audit Committees*. The education and experience of each member relevant to the performance of such member’s responsibilities as an Audit Committee member are as follows:

Bruce Youngman: Mr. Youngman has over thirty-five years of experience in the minerals industry. From 2008 to 2010, he was President and COO of Canplats Resources Corporation, during which time the Camino Rojo gold deposit in Mexico was outlined and the company acquired by Goldcorp Inc. for \$300 million. Mr. Youngman previously held senior positions with Northern Dynasty Minerals Ltd., including President, Vice-President and Director, and was closely involved in the acquisition and expansion of the Pebble Gold-Copper Porphyry Project in Alaska. Mr. Youngman graduated with a Bachelor of Science degree in geology from the University of British Columbia.

Gary Baschuk: Mr. Baschuk has an extensive career with over 20 years in the precious metals industry and over 20 years in capital markets as a sell-side mining and metals analyst and managing director. Mr. Baschuk has been a senior level analyst with various investment banking institutions and more recently been involved in financings of over \$1 billion for issuers ranging from junior exploration companies to mid-capitalized producers and major producers, as well as institutions and private equity funds.

Gerald Carlson: Dr. Carlson has over 40 years of international experience in managing mineral exploration and mining development companies with a focus on precious and base metal deposits. His career has included independent consulting assignments and management of exploration programs for both junior and major mining companies. He is a past President of AMEBC (formerly the British Columbia and Yukon Chamber of Mines). He is a recipient of the SEG's Ralph Marsden Award for distinguished service and CIM's J.C. Sproule Award for the advancement of geology and mineral exploration in the Yukon.

A copy of the Audit Committee Charter is attached hereto as Schedule “A”.

The Audit Committee provides review and oversight of the Company’s accounting and financial reporting process, and the audit process, including the selection, oversight and compensation of the Company’s external auditor. Since the commencement of the Company’s most recently completed financial year, the Company’s Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### *Audit Fees*

The fees paid by the Company to its auditors in each of the last two years ended December 31, by category, are as follows:

	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
2023	\$40,125	\$300	\$11,235	\$Nil
2022	\$40,631	\$231	\$6,420	\$Nil

The Company, as a “venture issuer”, is relying on the exemption in section 6.1 of National Instrument 52-110 *Audit Committees* which provides that the Company is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52-110.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, or controls or directs, directly or indirectly, or a combination of both, common shares of the Company, carrying more than ten percent of the voting rights attached to the outstanding common shares of the Company (an "Insider"); (c) director or executive officer of a person or company that is itself an Insider or subsidiary of the Company; or (d) any associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year, or in any proposed transaction that has materially affected or would materially affect the Company, except with respect to an interest arising from the ownership of common shares of the Company where such person or company will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of common shares of the Company.

## MANAGEMENT CONTRACTS

There are no management functions of the Company, which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

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

Except as otherwise set out herein, none of the directors or executive officers of the Company, no management proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last financial year and no associate or affiliate of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. APPOINTMENT OF AUDITOR

It has been proposed that PricewaterhouseCoopers, LLP, Chartered Professional Accountants be appointed as Auditor of the Company for the ensuing year.

### 2. ELECTION OF DIRECTORS

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. **Unless such authority is withheld, the Management Appointees intend to vote the shares represented by proxy for the election of the nominees herein listed on any poll or ballot that may be called for.**

MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF THE NOMINEES HEREIN LISTED WILL BE UNABLE TO SERVE AS A DIRECTOR. IN THE EVENT THAT PRIOR TO THE MEETING ANY VACANCIES OCCUR IN THE SLATE OF NOMINEES HEREIN LISTED, IT IS INTENDED THAT DISCRETIONARY AUTHORITY SHALL BE EXERCISED BY THE MANAGEMENT APPOINTEES, IF NAMED IN THE PROXY, TO VOTE THE SHARES REPRESENTED BY PROXY FOR THE ELECTION OF ANY OTHER PERSON OR PERSONS AS DIRECTORS UNLESS THE SHAREHOLDER HAS SPECIFIED THAT THE SHARES REPRESENTED BY PROXY ARE TO BE WITHHELD FROM VOTING IN THE ELECTION OF DIRECTORS.

Management proposes that the number of directors for the Company be determined at five (5) for the ensuing year, subject to such increases as may be permitted by the Articles of the Company, and that each of the following persons be nominated for election as a director of the Company for the ensuing year. Information concerning these persons, as furnished by the individual nominees, is as follows:

<b>Name, Jurisdiction of Residence<sup>(1)</sup> and Position Held</b>	<b>Director Since</b>	<b>Number Of Shares Beneficially Owned, Or Controlled Or Directed, Directly Or Indirectly<sup>(1) (2)</sup>, At May 17, 2024</b>	<b>Principal Occupation And If Not At Present An Elected Director, Occupation During The Past Five (5) Years<sup>(1)</sup></b>
<b>Gerald Carlson<sup>(4)</sup></b> <i>Director, Chairman British Columbia, Canada</i>	June 17, 2014	3,473,800 <sup>(3)</sup>	Chairman of the Company
<b>Blaine Monaghan</b> <i>Director, President &amp; CEO British Columbia, Canada</i>	June 15, 2017	1,057,997	President & CEO of the Company
<b>Bruce Youngman<sup>(4)(5)</sup></b> <i>Director British Columbia, Canada</i>	July 22, 2011	719,000	Corporate director
<b>Gary Baschuk<sup>(4)(5)</sup></b> <i>Director Ontario, Canada</i>	June 24, 2021	100,000	Co-head, Mining & Senior Geologist at PearTree Securities; previously Mining Analyst at PearTree Securities

Notes:

- (1) The information as to jurisdiction of residence, present principal occupation or employment and the number of common shares beneficially owned or controlled or directed, is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) Does not include stock options and share purchase warrants held by the directors as follows:

<b><u>Directors</u></b>	<b><u>Type of Security</u></b>	<b><u>Number of Shares</u></b>	<b><u>Exercise Price</u></b>	<b><u>Expiry Date</u></b>
Gerald Carlson	options	350,000	\$0.05	March 16, 2025
	options	100,000	\$0.25	July 15, 2026
	options	450,000	\$0.36	May 12, 2027
	options	325,000	\$0.30	February 1, 2028
	warrants <sup>(3)</sup>	250,000	\$0.12	March 22, 2026
	warrants	120,000	\$0.12	March 22, 2026
	warrants <sup>(3)</sup>	150,000	\$0.12	April 5, 2026
Blaine Monaghan	options	50,000	\$0.05	March 16, 2025
	options	400,000	\$0.105	March 9, 2026
	options	100,000	\$0.25	July 15, 2026
	options	500,000	\$0.36	May 12, 2027
	options	400,000	\$0.30	February 1, 2028
Bruce Youngman	options	50,000	\$0.05	March 16, 2025
	options	50,000	\$0.25	July 15, 2026
	options	250,000	\$0.36	May 12, 2027
	options	250,000	\$0.30	February 1, 2028
Gary Baschuk	options	250,000	\$0.25	July 15, 2026
	options	200,000	\$0.36	May 12, 2027
	options	300,000	\$0.30	February 1, 2028

- (3) Of these 2,603,800 common shares, 1,973,800 are owned directly by Gerald Carlson and 1,500,000 are owned by KGE Management Ltd., a company which is controlled by Gerald Carlson. KGE Management Ltd. holds the 400,000 above noted warrants.
- (4) Member of the Audit Committee.
- (5) Member of the Compensation Committee.

To the knowledge of management of the Company, no proposed director (including any personal holding company of a proposed director):

- (a) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to a cease trade or similar order (including a management cease trade order whether or not such person was named in the order) or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an “**Order**”) while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is, as at the date of this Information Circular, or has been, within the preceding 10 years, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) has been subject to:
  - (i) since December 31, 2000, 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 before December 31, 2000, the disclosure of which would likely be important to a reasonable securityholder in deciding whether to vote for a proposed director; or
  - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director; or
- (e) is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

### **3. STOCK OPTION PLAN**

At the Meeting, shareholders will be asked to approve the Company’s proposed 10% rolling incentive stock option plan (the “Plan”).

The purpose of the proposed Plan is to provide the Company’s directors, officers, employees and management company employees of, or consultants to, the Company and its subsidiaries with an

opportunity to purchase shares of the Company and benefit from any appreciation in the value of the Company's shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Company's shares for the benefit of all the shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

The following is a description of the key terms of the Plan, which is qualified in its entirety by reference to the full text of the Plan, a copy of which will be available for inspection at the Meeting:

- (a) Eligible Persons: Directors, officers, employees, management company employees of, or consultants to, the Company and its subsidiaries are eligible to participate in the Plan. The Board of Directors, in its discretion and based on the recommendations of the Company's Compensation Committee, determines when and whether to grant options under the Plan to eligible persons.
- (b) Number of Shares Reserved: The Plan is a "rolling" plan that provides that the aggregate number of shares reserved for issuance under it, and all of the Company's other previously established and outstanding security based compensation plans, is 10% of the Company's issued common shares at the time of the grant of a stock option under the Plan. As at the date of this Information Circular, the Company has 7,825,000 options granted with a remaining balance of 7,308,849 options eligible for future grants under the Plan. Options that expire or terminate without being exercised will again be available under the Plan.
- (c) Limitations: The maximum aggregate number of shares issuable pursuant to all of the Company's security based compensation, including the Plan, in any 12 month period to any one consultant must not exceed 2% of the issued shares of the Company, calculated as at the date any security based compensation is granted or issued to the consultant. The aggregate number of options granted to investor relations service providers in any 12 month period must not exceed 2% of the issued shares of the Company, calculated at the time of grant of the stock option.
- (d) Disinterested Shareholder Approval: Disinterested Shareholder Approval (as defined in the Plan) is required for any amendment to options held by insiders that would have the effect of decreasing the exercise price of such options or that results in a benefit to an insider. Unless Disinterested Shareholder Approval is obtained, the maximum aggregate number of shares issuable pursuant to all of the Company's security based compensation, including this Plan, granted or issued to:
  - (i) any one optionee in any 12 month period must not exceed 5% of the issued shares, calculated as at the date any security based compensation is granted or issued;
  - (ii) insiders (as a group) must not exceed 10% of the issued shares at any point in time; and
  - (iii) insiders (as a group) in any 12 month period must not exceed 10% of the issued shares, calculated as at the date any security based compensation is granted or issued.
- (e) Exercise Price: The Plan provides that the option exercise price, as determined by the Board of Directors, must not be less than the last closing price of the Company's common shares on the TSX Venture Exchange ("Exchange") before the date of grant, less the applicable discount permitted by the policies of the Exchange.



- (f) Term: The term of any option granted under the Plan will be determined by the Board of Directors and, subject to any applicable blackout extension as noted below, shall not be greater than 10 years from the date of grant.
- (g) Vesting: The vesting of options is at the discretion of the Board of Directors. Options granted to any investor relations service providers shall vest in 4 stages over 12 months with no more than one-quarter of such options vesting no sooner than 3 months after the date of grant and, thereafter, no more than one-quarter of such options vesting no sooner than on each of the 6, 9, and 12 month anniversaries of the date of grant. Subject to the approval of the Exchange, if required, the Board of Directors shall have the right to accelerate the date of vesting of any portion of any option which remains unvested. Upon a Change in Control (as defined in the Plan), all options shall become immediately exercisable, notwithstanding any contingent vesting provisions.
- (h) Expiry and Termination: An option shall terminate at the earliest of the following dates:
- (i) the expiry date specified in the option agreement, subject to any applicable blackout extension;
  - (ii) in the event of death, any options held by the deceased optionee shall pass to a qualified successor and be exercisable until the earlier of 12 months following the date of death and the expiry of the option term;
  - (iii) upon an optionee's employment or engagement as a service provider being terminated for cause, or if an optionee is a director or officer and is removed from office, any options not then exercised shall terminate immediately. If an optionee becomes permanently disabled, any options shall be exercisable until the earlier of 6 months after the date of disability and the expiry of the option term. If an optionee's employment, office, term as a director, or engagement as a service provider is ended or expires otherwise than by reason of termination for cause or by removal, such optionee's option shall be exercisable until the earlier of 90 days after such termination and the expiry of the option term;
  - (iv) in the event the Company proposes to amalgamate, merge, or consolidate or to liquidate, dissolve or wind up, or in the event an offer to purchase shares of the Company is made to all shareholders, the Company shall have the right to provide written notification to all optionees of the expiry of all options within 30 days; and
  - (v) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such option in violation of the terms of the stock option plan.
- (i) Blackout Extension: If an option expires during a formal blackout period self-imposed by the Company pursuant to its internal trading policies, then the option shall expire 10 days after the blackout period is lifted by the Company; provided that, such automatic extension is not applicable if the Company or optionee is subject to a cease trade order or similar trading restriction.
- (j) Cashless Exercise: The Plan allows for "cashless exercise" which is an arrangement that the Company has with a brokerage firm pursuant to which the brokerage firm will loan money to the optionee to purchase the common shares that are subject to the option. The brokerage firm then sells a sufficient number of shares to cover the option price in order to repay the loan made to the optionee. The brokerage firm receives an equivalent number of shares from the exercise of the option and the optionee then receives the balance of shares, or the cash proceeds from the balance of such shares, from the exercise of the option.

- (k) Amendments: Subject to approval of the Exchange, if required, the Board may terminate, suspend or discontinue the Plan, or amend or revise the terms of the Plan or an outstanding option, provided that for certain amendments, the Board of Directors must obtain shareholder approval.

The Exchange requires that this Plan be approved by the Company's shareholders every year at the Company's annual general meeting. If shareholder approval of the proposed Plan or a modified version thereof is not obtained, the Company will not proceed to implement the proposed Plan nor grant options under it. Even if approved, the directors may determine not to proceed with the proposed Plan.

The directors recommend that the shareholders approve the proposed Plan.

#### **4. APPROVAL OF AMENDED AND RESTATED ARTICLES**

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve the adoption of amended and restated articles of the Company (the "**Amended and Restated Articles**"), which contain certain amendments to the Company's Articles. The Amended and Restated Articles will affect certain of the rights of shareholders as they currently exist under the Articles. A discussion of the principal amendments to the Articles is set out below, and a copy of the Amended and Restated Articles is attached to this Information Circular as Schedule "B".

##### **Summary of Amendments Proposed Pursuant to the Amended and Restated Articles**

The Amended and Restated Articles will serve to update and modernize the Company's current Articles and better align the Company with legal and regulatory developments as well as current corporate governance practices by reporting issuers in Canada. The discussion below is not an exhaustive summary of the differences between the current Articles and the Amended and Restated Articles, and shareholders are encouraged to review the Amended and Restated Articles in their entirety.

##### *Alterations to Share Structure, Capital Alterations, Creation or Variation of Special Rights and Restrictions and Name Changes*

The Amended and Restated Articles will provide for the Company, by a directors' resolution, the ability to: (a) alter the authorized share structure of the Company; (b) make capital alterations, including subdividing or consolidating the common shares of the Company, changing par value shares into shares without par value (or vice versa), or altering the identifying name of any class or series of shares; (c) create special rights or restrictions attaching to unissued classes or series of shares, or vary or delete special rights or restrictions attaching to issued classes or series of shares; (d) change the name of the Company, or (e) make any other such alterations as may be determined by directors provided that the BCBCA and the Amended and Restated Articles do not specify that another type of resolution is required.

The current Articles of the Company do not provide for any alterations to the authorized share structure, capital alterations, creation or variation of special rights and restrictions attaching to shares (whether or not any shares of such classes have been issued) or name changes other than by a special resolution of shareholders.

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

In the event that the number of directors is set in accordance with the Company's Articles and shareholders do not elect or appoint a sufficient number of directors needed to fill vacancies in the board of directors up to that number, the Amended and Restated Articles will provide that the directors may appoint, or the shareholders may appoint or elect, that number of directors

necessary to fill such vacancies. The current Articles of the Company do not provide the directors with the ability to fill such vacancies.

#### *Removal of Directors*

The Amended and Restated Articles will provide for the Company, by an ordinary resolution of shareholders, the ability to remove any director before their term of office expires. The current Articles of the Company do not provide the Company with such ability other than by a special resolution of shareholders.

#### *Delegation of Power to Remove Directors*

The current Articles of the Company provide for the Company, by directors' resolution, to delegate the power to remove a director to a committee appointed by the board consisting of one or more directors. The Amended and Restated Articles will remove the ability of the Company to delegate such power.

#### *Notice-and-Access*

The Amended and Restated Articles will provide for the Company to use "notice-and-access" (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) for the electronic delivery of proxy related materials to registered and beneficial shareholders of the Company. The notice-and-access system is expected to offer the Company savings in relation to printing and postage costs by reducing the amount of material that is required to be printed and sent to shareholders. The current Articles of the Company do not provide for the use of notice-and-access to deliver proxy related materials to shareholders.

#### *Advance Notice*

The Amended and Restated Articles include advance notice provisions (the "**Advance Notice Provisions**") regarding director elections, which establish a framework for advance notice of nominations of directors by shareholders of the Company. The Advance Notice Provisions are intended to:

- facilitate an orderly and efficient annual general or special meeting process;
- ensure that all shareholders receive adequate notice of the director nominations and sufficient information regarding all director nominees; and
- allow shareholders to register an informed vote after having been afforded reasonable time for appropriate deliberation.

Pursuant to the Advance Notice Provisions, advance notice in proper written form is required to be given to the Company in circumstances where nominations of persons for election to the board are made by shareholders, as follows:

- in the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 days nor more than 65 days prior to the date of the annual meeting. However, in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the meeting was made (such date being the "**Notice Date**"), notice may be made not later than the close of business on the 10th day following the Notice Date; and
- in the case of a special meeting of shareholders (which is not also an annual meeting) notice to the Company must be made not later than the close of business on the 15th day following the Notice Date.

The Advance Notice Provisions also set forth the information that a nominating shareholder must include in a written notice to the Company for any director nominee to be eligible for election at such annual or special meeting of shareholders.

The Board may, in its sole discretion, waive any or all requirements of the Advance Notice Provisions.

The Advance Notice Provisions are substantially similar to the provisions of the advance notice policy previously adopted by the Board on February 28, 2013 (the “**Advance Notice Policy**”), which Advance Notice Policy was subsequently ratified by shareholders at the Company’s annual general meeting held on June 17, 2014.

The Amended and Restated Articles would expressly include advance notice provisions previously adopted under the Advance Notice Policy. If the Amended and Restated Articles Resolution (as defined below) is duly passed at the Meeting and the Amended and Restated Articles are subsequently adopted, the Advance Notice Provisions would effectively replace the Advance Notice Policy.

### **Approval by Shareholders**

At the Meeting, shareholders will be asked to consider, and if deemed appropriate, to pass with or without variation, the following special resolution (the “**Amended and Restated Articles Resolution**”). To be effective, the following Amended and Restated Articles Resolution must be approved by at least two-thirds of the votes cast by shareholders who are entitled to vote and are present in person or by proxy at the Meeting.

“**BE IT RESOLVED THAT** as a special resolution that:

1. the current articles of Pacific Ridge Exploration Ltd. (the “**Company**”) are hereby amended and restated in substantially the form attached as Schedule “B” of the management information circular of the Company, dated May 17, 2024 and as more particularly described therein;
2. the board of directors of the Company may, in its sole discretion, revoke this special resolution before it is acted upon, without further approval of the shareholders of the Company; and
3. any one director or officer be and is hereby authorized, upon the board of directors resolving to give effect to this resolution, to take all necessary acts and proceedings, to execute and deliver and file any and all applications, declarations, documents and other instruments and to do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution.”

If named as proxy, the Management Appointees intend to vote the shares represented by such proxy at the Meeting FOR the approval of the Amended and Restated Articles Resolution, unless otherwise directed in the instrument of proxy.

The Board recommends that shareholders vote FOR the Amended and Restated Articles Resolution.

MANAGEMENT IS NOT AWARE OF ANY OTHER MATTER TO COME BEFORE THE MEETING OTHER THAN AS SET FORTH IN THE NOTICE OF MEETING. IF ANY OTHER MATTER PROPERLY COMES BEFORE THE MEETING, IT IS THE INTENTION OF THE MANAGEMENT APPOINTEES TO VOTE THE SHARES REPRESENTED BY THE FORM OF PROXY ACCOMPANYING THIS INFORMATION CIRCULAR ON ANY BALLOT THAT MAY BE CALLED FOR IN ACCORDANCE WITH THEIR BEST JUDGMENT ON SUCH MATTER.

### **GENERAL**

**Unless otherwise directed, it is the intention of the Management Appointees to vote proxies in favour of the resolutions set forth herein.** All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the shareholders. All

special resolutions require, for the passing of the same, a 2/3 majority of the votes cast at the Meeting by the shareholders.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company can be found at [www.sedarplus.ca](http://www.sedarplus.ca) and at the Company's website at [www.pacificridgeexploration.com](http://www.pacificridgeexploration.com). A copy of the following documents may be obtained, without charge, upon request to the Chief Executive Officer of the Company 11<sup>th</sup> Floor, 1111 Melville Street, Vancouver, B.C. V6E 3V6, Phone: (604) 687-4951:

- (a) the comparative financial statements of the Company for the financial year ended December 31, 2023 together with the accompanying report of the auditor thereon and related Management Discussion and Analysis; and
- (b) this Information Circular.

**BY ORDER OF THE BOARD OF DIRECTORS  
OF PACIFIC RIDGE EXPLORATION LTD.**

*"BLAINE MONAGHAN"*

Blaine Monaghan  
President and Chief Executive Officer

## SCHEDULE "A"

### PACIFIC RIDGE EXPLORATION LTD. (the "Company")

#### AUDIT COMMITTEE CHARTER

#### 1. PURPOSE

- 1.1 The primary functions of the Audit Committee are to fulfill its responsibilities in relation to reviewing the integrity of the Company's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring the Company's compliance with legal and regulatory requirements; selecting the external auditors for shareholder approval; and reviewing the qualifications, independence and performance of the external auditors.

#### 2. MEMBERSHIP AND ORGANIZATION

- 2.1 **Composition** - The Audit Committee shall consist of not less than three independent members of the Board. At the invitation of the Audit Committee, members of the Company's management and others may attend Audit Committee meetings as the Audit Committee considers necessary or desirable.
- 2.2 **Appointment and Removal of Audit Committee Members** - Each member of the Audit Committee shall be appointed by the Board on an annual basis and shall serve at the pleasure of the Board, or until the earlier of (a) the close of the next annual meeting of shareholders of the Company at which the member's term of office expires, (b) the death of the member or (c) the resignation, disqualification or removal of the member from the Audit Committee or from the Board. The Board may fill a vacancy in the membership of the Audit Committee.
- 2.3 **Chair** - At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee's compliance with this mandate, work with management to develop the Audit Committee's annual work-plan and provide reports of the Audit Committee to the Board. The Chair may vote on any matter requiring a vote and shall provide a second vote in the case of a tie vote.
- 2.4 **Independence** - Each member of the Audit Committee shall be an "unrelated director" (as that term is used in the Report of the Toronto Stock Exchange on Corporate Governance in Canada) and "independent" (as such term is used in National Instrument 52-110 - Audit Committees ("NI 52-110")).
- 2.5 **Financial Literacy** - Members of the Audit Committee shall be financially literate or agree to become financially literate within a reasonable period of time following the member's appointment. An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

**2.6 Venture Issuer** - For so long as the Company is a "venture issuer" as defined in NI 52-110, it is not required to comply with the provisions of paragraph 2.1 "Composition", 2.4 "Independence" or 2.4 "Financial Literacy" above. In the event the Company cannot comply with all or a part of these provisions, then the Committee shall be comprised of not less than three members of the Board, a majority of whom are not officers or employees of the Company or a subsidiary of the Company.

### **3. MEETINGS**

**3.1 Meetings** - The members of the Audit Committee shall hold meetings as are required to carry out this mandate, and in any case no less than four meetings annually. The external auditors are entitled to attend and be heard at each Audit Committee meeting. The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board or the President and Chief Executive Officer may call a meeting of the Audit Committee.

The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a Chair from their number for a meeting.

**3.2 Secretary and Minutes** - The Corporate Secretary, his or her designate or any other person the Audit Committee requests, shall act as secretary at Audit Committee meetings. Minutes of Audit Committee meetings shall be recorded and maintained by the Corporate Secretary and subsequently presented to the Audit Committee for approval.

**3.3 Quorum** - A majority of the members of the Audit Committee shall constitute a quorum. If a quorum cannot be obtained for an Audit Committee meeting, members of the Board who would qualify as members of the Audit Committee may, at the request of the Chair or the Chairman of the Board, serve as members of the Audit Committee for that meeting.

**3.4 Access to Management and Outside Advisors** - The Audit Committee shall have unrestricted access to management and employees of the Company, and, from time to time may hold meetings with the external auditor, the Chief Financial Officer or the President and Chief Executive Officer. The Audit Committee shall have the authority to retain and terminate external legal counsel, consultants or other advisors to assist it in fulfilling its responsibilities and to set and pay the respective compensation for these advisors without consulting or obtaining the approval of the Board or any officer of the Company. The Company shall provide appropriate funding, as determined by the Audit Committee, for the services of these advisors.

**3.5 Meetings Without Management** - The Audit Committee shall hold unscheduled or regularly scheduled meetings, or portions of regularly scheduled meetings, at which management is not present.

### **4. FUNCTIONS AND RESPONSIBILITIES**

The Audit Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Audit Committee by the Board. In addition to these functions and responsibilities, the Audit Committee shall perform the duties required of an audit committee by applicable corporate securities laws, the binding requirements of the stock exchanges on which the securities of the Company are listed, and all other applicable laws.

#### 4.1 Financial Reports

- (a) **General** - The Audit Committee is responsible for reviewing the integrity of the Company's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the Company's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Company. The external auditors are responsible for auditing the Company's annual financial statements and, if requested by the Company, for reviewing the Company's unaudited interim financial statements.
- (b) **Review of Annual Financial Reports** - The Audit Committee shall review the annual audited financial statements of the Company, the external auditors' report thereon and the related management's discussion and analysis of the Company's financial condition and results of operation to determine whether they present fairly, in all material respects in accordance with IFRS, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.
- (c) **Review of Interim Financial Reports** - The Audit Committee shall review the interim financial statements of the Company, the external auditors review report thereon, if applicable, and the related MD&A to determine whether they present fairly, in all material respects in accordance with IFRS, the financial condition, results of operations and cash flows of the Company. After completing its review, if advisable, the Audit Committee shall, if so authorized by the Board, approve the interim financial statements and the related MD&A, or if not authorized by the Board, then approve and recommend for Board approval.
- (d) **Review Considerations** - In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:
  - (i) meet with management and the external auditors to discuss the financial statements and MD&A;
  - (ii) review the disclosures in the financial statements;
  - (iii) review the audit report or review report prepared by the external auditors;
  - (iv) discuss with management, the external auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
  - (v) review critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
  - (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management;



- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting; and
- (ix) review any other matters, related to the financial statements, that are brought forward by the external auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or applicable law.

**4.2 Approval of Other Financial Disclosures** - The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the Company, press releases disclosing financial results of the Company and any other material financial disclosure, including in Management Information Circulars and Annual Information Forms.

#### **4.3 External Auditors**

- (a) **General** - The Audit Committee shall be responsible for oversight of the work of the external auditors in auditing and reviewing the Company's financial statements and internal controls over financial reporting.
- (b) **Appointment and Compensation** - The Audit Committee shall review and, if advisable, select and recommend (i) for shareholder approval, the appointment of the external auditors and (ii) for shareholder or Board approval, as applicable, the compensation of the external auditors.
- (c) **Annual Review Report** - At least annually, the Audit Committee shall obtain and review a report by the external auditors describing: (i) their internal quality-control procedures and (ii) any material issues raised by their most recent internal quality-control review, peer review or by any inquiry or investigation by governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the external auditors and any steps taken to deal with any of these issues.
- (d) **Audit Plan** - At least annually, the Audit Committee shall review a summary of the external auditors' annual audit plan. The Audit Committee shall consider and review with the external auditors any material changes to the scope of the plan.
- (e) **Quarterly Review Report** - If the external auditors review the Company's unaudited interim financial statements, then the Audit Committee shall review a quarterly review report prepared by the external auditors in respect of each of the interim financial statements of the Company.
- (f) **Independence of External Auditors** - At least annually, and before the external auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the external auditors a formal written statement describing all relationships between the external auditors and the Company, discuss with the external auditors any disclosed relationships or services that may affect the objectivity and independence of

the external auditors, and obtain written confirmation from the external auditors that they are objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which it belongs.

- (g) Evaluation and Rotation of Lead Partner** - At least annually, the Audit Committee shall review the qualifications and performance of the lead partners of the external auditors. The Audit Committee shall obtain a report from the external auditors annually verifying that the lead partner of the external auditors has served in that capacity for no more than five fiscal years of the Company and that the engagement team collectively possesses the experience and competence to perform an appropriate audit.
- (h) Pre-Approval of Non-Audit Services** - The Audit Committee shall pre-approve any retainer of the external auditors for any non-audit service to the Company in accordance with applicable law and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.
- (i) Hiring Practices** - The Audit Committee shall review and approve guidelines regarding the hiring of employees or former employees of the external auditors.

#### 4.4 Internal Controls

- (a) General** - The Audit Committee shall monitor the system of internal control.
- (b) Establishment, Review and Approval** - The Audit Committee shall require management to implement and maintain appropriate systems of internal control in accordance with applicable laws, regulations and guidance, including internal control over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the external auditors:

  - (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Company's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions.
  - (ii) any significant changes in internal control over financial reporting that are disclosed, or considered for disclosure, including those in the Company's periodic regulatory filings;
  - (iii) any material issues raised by any inquiry or investigation by the Company's regulators;

- (iv) any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

**4.5 Whistleblowing Procedures** - The Audit Committee shall review and approve the establishment by management of procedures for the receipt, retention and treatment of complaints received by the Company from employees or others, regarding accounting, internal accounting controls, or auditing matters.

**4.6 Succession Planning** - In consultation with the Board, the Audit Committee shall review succession plans for the Chief Financial Officer of the Company. The Audit Committee shall review candidates for the position of Chief Financial Officer of the Company and make recommendations to the Board with respect to the appointment of a Chief Financial Officer.

**4.7 Adverse Investments and Transactions** - The Audit Committee shall review any investments and transactions that could adversely affect the well-being of the Company.

**4.8 Audit Committee Disclosure** - The Audit Committee shall review and approve any audit committee disclosures required by securities regulators in the Company's disclosure documents.

**4.9 Assessment of Regulatory Compliance** - The Audit Committee shall review management's assessment of compliance with laws and regulations as they pertain to responsibilities under this mandate, report its findings to the Board and recommend changes it considers appropriate.

**4.10 Delegation** - The Audit Committee may designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

## **5. REPORTING TO THE BOARD**

**5.1** The Chair shall report to the Board, as required by applicable law or as deemed necessary by the Audit Committee or as requested by the Board, on matters arising at Audit Committee meetings and, where applicable, shall present the Audit Committee's recommendation to the Board for its approval.

## **6. CURRENCY OF THE AUDIT COMMITTEE MANDATE**

**6.1** This Audit Committee Charter was first approved by the Board on April 22, 2005.

**SCHEDULE "B"**  
**AMENDED AND RESTATED ARTICLES**

**PACIFIC RIDGE EXPLORATION LTD.**  
**(the "Company")**

The Company has as its articles the following articles:

(Full name of signature of a director)	Date of Signing
<u>John S. Brock, President</u>	June 2, 2005

Incorporation Number: 186915

~~186915~~

**PACIFIC RIDGE EXPLORATION LTD.**  
**(the "Company")**

**AMENDED AND RESTATED ARTICLES**

Effective as of [●], 2024

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## ARTICLE 1 - INTERPRETATION

### 1.1 Definitions

In these Articles, unless the context otherwise requires:

“**Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all regulations and amendments made pursuant to it;

“**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;

“**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;

“**legal personal representative**” means the personal or other legal representative of the shareholder;

“**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;

“**registered address**” of a director means his or her address as recorded in the Company’s register of directors;

“**seal**” means the seal of the Company, if any.

### 1.2 Applicable Definitions and Rules of Interpretation

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

## ARTICLE 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 Act.

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

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

### **2.4 Delivery by Mail**

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

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

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

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

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

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

### **2.7 Splitting Share Certificates**

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

### **2.8 Certificate Fee**

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

## **2.9 Recognition of Trusts**

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

## **ARTICLE 3 - ISSUE OF SHARES**

### **3.1 Directors Authorized**

Subject to the Act and the rights of the holders of issued shares of the Company, if any, 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, 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 par value share must be equal to or greater than the par value of the share and may include a premium.

### **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 in connection with the sale or placement of its securities.

### **3.4 Conditions of Issue**

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

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (i) past services performed for the Company;
  - (ii) property;
  - (iii) money; and
- (b) 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 Act, the Company may issue share purchase warrants, options and rights (with or without other securities issued or created by the Company) upon such terms and conditions as the directors determine.

## **ARTICLE 4 - SHARE REGISTERS**

### **4.1 Central Securities Register**

The Company must keep or cause to be kept in British Columbia a central securities register in accordance with the Act. The directors may, subject to the Act, appoint an agent to maintain and keep the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as (a) transfer agent for any class or series of its shares or other securities, and (b) as registrar for any class or series of its shares or other securities. The directors may terminate the appointment of any agent at any time and may appoint another agent in its place.

### **4.2 Branch Register**

Subject to the Act, the Company may keep or cause to be kept one or more branch securities registers at such place or places, whether within or outside the Province of British Columbia, as the directors may from time to time determine. The directors may, subject to the Act, appoint agents to maintain and keep the branch securities registers.

### **4.3 Closing Register**

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

## **ARTICLE 5 - SHARE TRANSFERS**

### **5.1 Registering Transfers**

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

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company or the Company's authorized agent;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company;
- (c) if a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgement has been surrendered to the Company; and
- (d) the Company, the transfer agent or registrar for the class or series of share to be transferred has received such other evidence, if any, that may prove the title of the transferor or the transferor's right to transfer the share and the right of the transferee to have the transfer registered.

## **5.2 Form of Instrument of Transfer**

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

## **5.3 Transferor Remains Shareholder**

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

## **5.4 Signing of Instrument of Transfer**

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

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

## **5.5 Inquiry 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. No liability will arise relating to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

## **5.6 Transfer Fee**

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

# **ARTICLE 6 - TRANSMISSION OF SHARES**

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

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a

grant of letters probate, letters of administration, or such other evidence or documents as the directors consider appropriate.

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

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

# **ARTICLE 7 - PURCHASE AND REDEMPTION OF SHARES**

## **7.1 Company Authorized to Purchase Shares**

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

**If the shareholders do not pass the special resolution to remove the application of the Pre-Existing Company Provisions, this section will read as follows in lieu of the foregoing:**

## **7.2 Purchase When Insolvent**

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

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

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

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

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

## **7.4 Redemption**

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

## ARTICLE 8 - BORROWING POWERS

### 8.1 Powers of Directors

The Company, if authorized by the directors, may from time to time on behalf of the Company:

- (a) borrow money in the manner and amount on the security, from the sources and on the terms and conditions that it considers appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as it considers appropriate;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) 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.

## ARTICLE 9 - ALTERATIONS

### 9.1 Alteration of Authorized Share Structure

Subject to ~~Article 9.2 and~~ the Act, the Company may, by ~~ordinary~~ resolution of the board of directors:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) if the Company is authorized to issue shares of a class of shares with par value;
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares; or
- (d) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act;

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

### 9.2 Other Capital Alterations

The Company may, by ~~special~~ resolution of the board of directors:



- (a) 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;
- (b) alter the identifying name of any class or series of its shares; or
- (c) subdivide or consolidate all or any of the unissued, or fully paid issued, shares of the Company;

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

### 9.3 Special Rights and Restrictions

Subject to the Act, the Company may ~~by special resolution:~~

- (a) by resolution of the board of directors or by ordinary resolution, in each case as determined by the board of directors:
  - (i) ~~(a)~~ 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~~ if none of those shares have been issued; or
  - (ii) ~~(b)~~ 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~~ if none of those shares have been issued;
- (b) by special resolution of the shareholders of the class or series affected, do any of the acts in Article 9.3(a) above if any of the shares of the applicable class or series of shares have been issued.

### 9.4 Change of Name, Adoption or Change of Translation of Name

The Company may, by ~~special resolution,~~ of the board of directors, authorize an alteration of its Notice of Articles in order to change the name of the Company. ~~The Company may, by ordinary resolution or directors' resolution,~~ or adopt or change any translation of the Company's name.

### 9.5 Other Alterations

If the Act does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may resolve to alter these Articles by ~~a special~~ an ordinary resolution.

## ARTICLE 10 - MEETINGS OF SHAREHOLDERS

### 10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the Act, the Company must hold its annual general meeting at least once in each calendar year and not more than 15 months after the last annual general meeting at such time and place as may be determined by the directors.

## **10.2 Annual General Meeting by Consent Resolutions**

Provided the Company is not a public company, if all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the Act to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date selected in the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article select, as the Company's annual reference date, a date that would be appropriate for the holding of the applicable annual general meeting.

## **10.3 Calling of Meetings of Shareholders**

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

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

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, to each shareholder entitled to attend the meeting and to each director and to the Auditor of the Company, unless these Articles otherwise provide, not less than 21 days before the meeting

## **10.5 Record Date for Notice**

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders, and the record date must not precede the date on which the meeting is to be held by more than two months (or four months if the meeting is requisitioned), or by fewer than:

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

If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the commencement of the meeting.

## **10.6 Record Date for Voting**

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. If no record date is set, the record date is 5:00 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the commencement of the meeting.

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

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

## **10.8 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:

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

## **10.9 Location of Shareholder Meetings**

A meeting of the shareholders may be held inside or outside of British Columbia as determined by the directors.

## **10.10 Notice of Dissent Rights**

The minimum number of days, before the date of a meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered, by which a copy of the proposed resolution and a notice of the meeting specifying the date of the meeting and advising of the right to send a notice of dissent is to be sent pursuant to the Act to all shareholders of the Company, whether or not their shares carry the right to vote, is:

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

## **ARTICLE 11 - PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

### **11.1 Special Business**

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

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

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

### **11.2 Special Majority**

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

### **11.3 Quorum**

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

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

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

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

### **11.5 Requirement of Quorum**

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

### **11.6 Lack of Quorum**

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

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

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

If, at the meeting to which the meeting referred to in Article 1 1.6(b) 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.

### **11.8 Other Persons May Attend**

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

### **11.9 Chair**

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

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

### **11.10 Adjournments**

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

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

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

### **11.12 Decisions by Show of Hands or Poll**

Subject to the provisions of the Act, every motion put to a vote at a meeting of shareholders will be decided on a show of hands except that a poll will be conducted where:

- (a) a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy, or
- (b) where more than 5% of all voting rights attached to all the securities of the Company that are entitled to be voted and to be represented at the meeting are represented by proxies that indicate they are to be voted against what would otherwise be the meeting's decision on a matter, when the form of proxy used at the meeting provides for a means by which the shareholder may specify how the securities registered in their name are to be voted by the proxy holder.

### **11.13 Declaration of Result**

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

### **11.14 Motion Need Not be Seconded**

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

### **11.15 Casting Vote**

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

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

Subject to Article 11.17, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
  - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

- (c) the demand for the poll may be withdrawn by the person who demanded it.

### **11.17 Demand for Poll on Adjournment**

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

### **11.18 Chair Must Resolve Dispute**

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

### **11.19 Shareholder Voting Multiple Shares**

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

### **11.20 No Demand for Poll**

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

### **11.21 Demand for Poll Not to Prevent Continuance of Meeting**

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

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

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

## **ARTICLE 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:

- (a) 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
- (b) 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 the 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 personal or other 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:

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

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

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

- (a) for that purpose, the instrument appointing a representative must:
  - (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least 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
  - (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (b) if a representative is appointed under this Article:
  - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and



- (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

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

## **12.6 Proxy Provisions Do Not Apply to All Companies**

If and for so long as the Company is a public company, Articles 12.7 to 12.15 apply only insofar as they are not inconsistent with any applicable securities legislation ~~in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and insofar as they are not inconsistent with the~~ and any regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

## **12.7 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. If a shareholder appoints more than one proxy holder for the same meeting, the shareholder must specify the number of shares each proxy holder will be entitled to vote.

## **12.8 Alternate Proxy Holders**

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

## **12.9 Proxy Holder Need Not Be Shareholder**

A person appointed by proxy need not be a shareholder.

## **12.10 Deposit of Proxy**

Unless otherwise determined by the directors, a proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxy, at least the number of business days specified in the notice, or if no number of days is specified, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the meeting or adjourned meeting in respect of which the person named in the instrument is appointed; or
- (b) unless the notice calling the meeting provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent by written instrument, facsimile or any other method of transmitting legibly recorded messages, including but not limited to, Internet or telephone voting services, if the form of proxy indicates that such method will be accepted.

### 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:

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

### 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, *[nameJ]*, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on *[month, day, year]* and at any adjournment of that meeting.

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

Signed *[month, day year]*

---

*[Signature of shareholder]*

---

[Name of shareholder - printed]

### 12.13 Revocation of Proxy

- (a) Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:
  - (i) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or

- (ii) provided, at the meeting, to the chair of the meeting.
- (b) A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

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

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

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

#### **12.15 Production of Evidence of Authority to Vote**

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

### **ARTICLE 13 - DIRECTORS**

#### **13.1 Number of Directors**

The number of directors, excluding additional directors appointed under Article 14.7, is:

- (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given) of the shareholders; or
- (b) the number of directors set under Article 14.4;

provided, however, if the Company is a public company, the number of directors must not be less than three.

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

If the number of directors is set under Article 13.1(a),:

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors that result from that change; or
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors, subject to Article 14.7, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

### **13.3 Directors' Acts Valid Despite Vacancy**

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

### **13.4 Qualifications of Directors**

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

### **13.5 Remuneration and Expenses of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by ordinary resolution of the shareholders. Remuneration for acting as a director may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director. The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company. If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive. Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## **ARTICLE 14 - ELECTION AND REMOVAL OF DIRECTORS**

### **14.1 Election at Annual General Meeting**

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

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

### **14.2 Consent to be a Director**

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

- (a) that individual consents to be a director in the manner provided for in the Act;

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

### **14.3 Failure to Elect or Appoint Directors**

If the Company fails to hold an annual general meeting in accordance with the Act, or if the Company fails, at an annual general meeting or in a unanimous resolution contemplated by Article 10.2, to elect or appoint any directors, each director then in office continues to hold office until the earlier of:

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

### **14.4 Places of Retiring Directors Not Filled**

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

### **14.5 Casual Vacancies on Board**

Any casual vacancy occurring in the board of directors may be filled by the directors or director. If the Company has no directors or fewer directors in office than the number set by these Articles as the necessary quorum for the directors the shareholders may by ordinary resolution appoint or elect directors to fill the vacancies of the board.

### **14.6 Remaining Directors' Power to Act**

The remaining directors may act notwithstanding any vacancy in the board, but if and so long as the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the remaining directors may only act for the purpose of appointing directors up to that number, or summoning a meeting of the shareholders for the purpose of filling any vacancies on the board of directors or, subject to the Act, for any other purpose, but for no other purpose.

### **14.7 Additional Directors**

Notwithstanding Articles 13.1 and 13.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 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.

Any director so appointed ceases to hold office immediately before the election or appointment of directors under Article 14.1(a), but is eligible for election at the meeting or appointment by unanimous resolution contemplated under Article 14.1(a). If the appointment or election of such directors is made as an additional director, the number of directors is deemed increased accordingly.

#### **14.8 Ceasing to be a Director**

A director will cease to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies, or resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (c) the director is removed from office pursuant to Article 14.9.

#### **14.9 Removal of Director**

The Company may remove any director before the expiration of his or her term of office by ~~special~~ordinary resolution. In that event the shareholders may elect or appoint another individual as director by ordinary resolution to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the vacancy thereby created at the meeting at which, or in the consent resolution by which, the director was removed, then either the directors or the shareholders by ordinary resolution may appoint an additional director to fill that vacancy. The directors may remove any director before the expiration of his or her period of office if the director is convicted of an indictable offence or otherwise ceases to qualify as a director and the directors may appoint another person in his or her stead.

### **ARTICLE 15 - ALTERNATE DIRECTORS**

#### **15.1 Appointment of Alternate Directors**

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

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

Every alternate director is entitled to notice of meetings of directors or committees of the directors, of which his or her appointor is a member and to attend and vote as a director at a meeting at which his or her appointor is not personally present.

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

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

- (a) will be counted in determining the quorum for a meeting of directors once for each appointor and, in the case of an appointee who is also a director, once more in that capacity;
- (b) has a separate vote at a meeting of directors for each appointor and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (c) will be counted in determining the quorum for a meeting of a committee of directors once for each appointor who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;
- (d) has a separate vote at a meeting of a committee of directors for each appointor who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

#### **15.4 Consent Resolutions**

Every alternate director, if authorized by the instrument appointing him or her, may sign in place of the director who appointed him or her any resolutions submitted to the directors to be consented to in writing.

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

Every alternate director is deemed not to be the agent of his or her appointor and shall be deemed not to have any conflict arising out of any interest, property or office held by the appointor. An alternate director shall be deemed to be a director for all purposes of these Articles, with full power to act as a director, subject to any limitations in the instrument appointing him, and an alternate director shall be entitled to all of the indemnities and similar protections afforded directors by the Act and under these Articles. A director shall have no liability arising out of any act or omission by his alternate director to which the appointor was not a party, nor shall an alternate director have liability for any act or omission by the appointor. Without limiting the foregoing, no duty to account to the Company shall be imposed upon an alternate director merely because he voted in respect of a contract or transaction in which the appointor was interested or which the appointor failed to disclose, nor shall any such duty be imposed upon an appointor merely because he voted in respect of a contract or transaction in which his alternate director was interested or which such alternate director failed to disclose.

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

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

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

The appointment of an alternate director ceases when:

- (a) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

- (b) the alternate director dies, or resigns as an alternate director by notice in writing provided to the Company;
- (c) the alternate director ceases to be qualified to act as a director; or
- (d) his or her appointor revokes the appointment of the alternate director.

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

An alternate director may be reimbursed by the Company such expenses as might properly be repaid to him or her if he or she were a director and he or she is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

## **ARTICLE 16 - POWERS AND DUTIES OF DIRECTORS**

### **16.1 Powers of Management**

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

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

The directors may from time to time, by power of attorney or other instrument under the seal, 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 powers of the directors relating to the constitution of the board of directors and of any of its committees and the appointment or removal of officers and the power to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors think fit, and any such appointment may be made in favour of any corporation, firm or person or body of persons, and any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

### **16.3 Setting Remuneration of the Auditor**

The directors may from time to time determine the remuneration to be paid by the Company to the auditor, in such manner and upon such terms and conditions, as the directors, in their absolute discretion, may determine.

## **ARTICLE 17 - DISCLOSURE OF INTEREST OF DIRECTORS AND OFFICERS**

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

A director or senior officer who holds a disclosable interest (as that term is used in the Act) in a contract or transaction into which the Company has entered or proposes to enter is liable to account



to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the Act.

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

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

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

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

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

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

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

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

### **17.6 No Disqualification**

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

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

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

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

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

## **ARTICLE 18 - PROCEEDINGS OF DIRECTORS**

### **18.1 Meetings of Directors**

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

### **18.2 Voting at Meetings**

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

### **18.3 Chair of Meeting**

Meetings of directors may be chaired by:

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

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

A director may participate in a meeting of the board of directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone, can communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by communications facilities other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications facilities, are able to communicate with each other, and if all the directors who wish to participate in the meeting agree to such participation. A director participating in a meeting in accordance with this Article will be deemed to be present at the meeting and to have so agreed and will be counted in the quorum therefor and be entitled to speak and vote and otherwise participate in the meeting in accordance with the Act. A director who participates in a meeting in a manner contemplated by this

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

### **18.5 Calling and Notice of Meetings**

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

### **18.6 Notice of Meetings**

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

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

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

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

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

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

### **18.9 Waiver of Notice of Meeting**

Any director or alternate director of the Company 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 such waiver is withdrawn, no notice need be given to such director and, unless the director otherwise requires in writing to the Company, to his or her alternate director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director. Attendance of a director or alternate director at a meeting of the directors is a waiver of entitlement to notice of the meeting, unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **18.10 Quorum**

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

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

Subject to the provisions of the Act, all acts done by any director or officer will, notwithstanding that it be afterwards discovered that there was some defect in the qualification, election or appointment of any such director or officer, or that they or any of them were disqualified, be as valid as if each such person had been duly elected or appointed and was qualified to be a director or officer.

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

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

- (a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (b) 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 are entitled to vote on the resolution consents to it in writing.

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

## **ARTICLE 19 - EXECUTIVE AND OTHER COMMITTEES**

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

The directors may by resolution appoint an executive committee (the “Executive Committee”) to consist of such director or directors as they think appropriate. Such Executive Committee will have, and may exercise during the intervals between the meetings of the board of directors, all powers of the directors except the power to:

- (a) fill vacancies in the board;
- (b) remove a director;
- (c) change membership of, or fill vacancies in, any committees of directors; and
- (d) such other powers, as may be set out in any directors’ resolution.

### **19.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

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

### 19.3 Obligations of Committees

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

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

### 19.4 Powers of Board

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

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

### 19.5 Committee Meetings

Subject to Article 19.3(a) and the Act, with respect to a committee appointed under Article 19.1 or 19.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) a committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any meeting the chair of the meeting is not present within 15

minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

- (c) a majority of the members of a committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of a directors' committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

## **ARTICLE 20 - OFFICERS**

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

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

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

The board may, for each officer:

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

### **20.3 Qualifications**

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

### **20.4 Remuneration**

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

## **ARTICLE 21 - INDEMNIFICATION**

### **21.1 Indemnification of Eligible Persons**

Subject to the prohibitions in Section 163 of the Act, and to the full extent permitted by the Act, the directors will cause the Company to indemnify each eligible party against all eligible penalties to which the eligible ~~person~~ party is or may be liable, and will cause the Company, after the final disposition of an eligible proceeding, to pay the expenses actually and reasonably incurred by such

person in respect of that proceeding. Each director, officer, former director or officer and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.1.

### **21.2 Mandatory Payment of Expenses and Permitted Advances**

Subject to the prohibitions in Section 163 of the Act, the directors shall, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by the eligible party in respect of that proceeding if the eligible party (i) has not been reimbursed for those expenses, and (ii) is wholly successful on the merits or otherwise, in the outcome of the proceeding or is substantially successful on the merits in the outcome of the proceeding. The directors may also cause the Company to pay, as they are incurred in advance of the final disposition of an eligible proceeding, the expenses actually and reasonably incurred by an eligible party in respect of that proceeding, but the Company must first receive from the eligible party a written undertaking that, if it is ultimately determined that the payment of expenses is prohibited by the Act, the eligible party will repay the amounts advanced.

### **21.3 Non-Compliance with the Act**

The failure of a director, alternate director or officer of the Company to comply with the Act or these Articles does not invalidate any indemnity to which he or she is entitled under this Article 21.

### **21.4 Company May Purchase Insurance**

The directors may cause the Company to purchase and maintain insurance for the benefit of an eligible party (or the heirs and legal personal representatives of the eligible party) against any liability that may be incurred by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation.

### **21.5 Effect of Amendment**

Neither the amendment, modification nor repeal of this Article nor the adoption of any provision in these Articles inconsistent with this Article 21 shall adversely affect any right or protection of any eligible party with respect to any act or omission that occurred prior to the time of such amendment, modification, repeal or adoption.

## **ARTICLE 22 - DIVIDENDS AND RESERVES**

### **22.1 Declaration of Dividends**

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

### **22.2 No Notice Required**

The directors need not give notice to any shareholder of any declaration under Article 22.1.

### **22.3 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 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

### **22.4 Manner of Paying Dividend**

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

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

### **22.5 Basis and Payment**

Subject to the rights, if any, of shareholders holding shares with special rights as to dividends:

- (a) any dividend declared on shares of any class or series by the directors may be made payable on such date as is fixed by the directors; and
- (b) all dividends on shares of any class or series will be declared and be paid according to the number of such shares held.

### **22.6 Reserves**

The directors may, before declaring any dividend, set aside out of the funds properly available for the payment of dividends such sums as they think proper as a reserve or reserves which may, at the discretion of the directors, be applicable for meeting contingencies or for equalising dividends or for any other purpose to which such funds of the Company may be properly applied, and pending such application such funds may, in the discretion of the directors, either be employed in the business of the Company or be invested in such investments as the directors may from time to time think fit.

### **22.7 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 monies payable in respect of the share.

### **22.8 Dividend Bears No Interest**

No dividend will bear interest against the Company.



## **22.9 Fractional Dividends**

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

## **22.10 Payment of Dividends**

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

## **22.11 Retained Earnings or Surplus**

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus on hand of the Company and may from time to time issue as fully paid and non-assessable any unissued shares, or any bonds, debentures or debt obligations of the Company as a dividend representing part or all retained earnings or surplus.

# **ARTICLE 23 - DOCUMENTS, RECORDS AND REPORTS**

## **23.1 Keeping Documents, Minutes, Etc.**

The Company must keep at its records office, or at such other place as the Act may permit, the documents, copies, registers, minutes and other records which the Company is required by the Act to keep at such places. The shareholders, by ordinary resolution, may set restricted hours for access to records in the records office in accordance with the Act.

## **23.2 Keeping Books of Account**

The Company must keep or cause to be kept proper books of account and accounting records in respect of all financial and other transactions of the Company and in compliance with the provisions of the Act.

## **23.3 Inspection of Accounting Records**

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

## ARTICLE 24 - NOTICES

### 24.1 Method of Giving Notice

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

- (a) mail addressed to the person at the applicable address for that person as follows:
  - (i) for a record mailed to a shareholder, the shareholder's registered address;
  - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case the mailing address of the intended recipient;
- (b) delivery at the applicable address for that person as follows, addressed to the person:
  - (i) for a record delivered to a shareholder, the shareholder's registered address;
  - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient; ~~or~~
- (f) making the record available for public electronic access in accordance with the procedures referred to as "notice-and-access" under National Instrument 54-101 and National Instrument 51-102, as applicable, of the Canadian Securities Administrators, or in accordance with similar electronic delivery or access method permitted by applicable securities legislation from time to time; or
- (g) ~~(f)~~ as otherwise permitted by any securities legislation ~~in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States~~ that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements,

blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

## **24.2 Deemed Receipt of Mailing**

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

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (b) faxed to a person to the fax number provided for that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; ~~and~~
- (c) emailed to a person to the email address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was emailed on the day it was emailed; or
- (d) made available for public electronic access in accordance with the procedures referred to as “notice-and-access” or similar delivery procedures referred to in Article 24.1 is deemed to be received by the person on the date it was made available for public electronic access.

## **24.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed, as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

## **24.4 Notice to Joint Shareholders**

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

## **24.5 Notice to Legal 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:

- (a) mailing the record, addressed to them:
  - (i) by name, by the title of the legal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

- (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (b) if an address referred to in paragraph 24.1(a)(ii) has 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.

## **ARTICLE 25 - SEAL**

### **25.1 Custody and Use of Seal**

The directors may provide a seal for the Company and, if they do so, will provide for its safe custody and it will not be impressed on any instrument except when such impression is attested by the signature or signatures of:

- (a) any two directors;
- (b) any two officers;
- (c) any officer together with any director; or
- (d) such one or more directors or officers or persons as may be prescribed from time to time by resolution of the directors.

For the purpose of certifying under seal true copies of any resolution or other document, the seal may be impressed on such copy attested by the signature of any one director or officer.

### **25.2 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 Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

### **25.3 Reproduction of Signatures**

The signature of any one or more officers, directors and other persons determined by the directors, may, if authorized by the directors, be printed or otherwise mechanically reproduced upon any record executed or issued by the Company or any officer thereof. Any record on which the signature of any person is so printed or mechanically reproduced by authorization of the directors shall be deemed to

have been manually signed by such person whose signature is so printed or mechanically reproduced and shall be as valid to all intents and purposes as if such record had been signed manually, and notwithstanding that the person whose signature is so reproduced may have ceased to hold office at the date of delivery or issue of such record.

## ARTICLE 26 - ADVANCE NOTICE PROVISIONS

### 26.1 Nominations of Directors

- (a) Only persons who are eligible under the Act and who are nominated in accordance with this Article 26.1 shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may be made at any annual general meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
- (i) by or at the direction of the board, including pursuant to a notice of meeting;
- (ii) by or at the direction or request of one or more shareholders pursuant to a “proposal” made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
- (iii) by any person (a “Nominating Shareholder”):
- (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 26.1 and at the close of business on the record date for notice of such meeting, is entered in the Company’s securities register as a holder of one or more common shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
- (B) who complies with the notice procedures set forth below in this Article 26.1.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Company at the principal executive offices of the Company.

- (c) To be timely, a Nominating Shareholder’s notice to the secretary of the Company must be made:
- (i) in the case of an annual general meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual general meeting of shareholders; provided, however, that in the event that the annual general meeting of shareholders is to be held on a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the annual general meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
  - (ii) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. The time period for giving a Nominating Shareholder notice set forth above shall in all cases be determined based on the original date of the applicable annual general meeting or special meeting of shareholders and, in no event shall any adjournment or postponement of a meeting of shareholders or the reconvening of any adjourned or postponed meeting of shareholders, or the announcement thereof, commence a new time period for the giving of a Nominating Shareholder’s notice as described above.
- (d) To be in proper written form, a Nominating Shareholder’s notice to the secretary of the Company must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
    - (A) the name, age, business address and residential address of the person;
    - (B) the present principal occupation or employment of the person and the principal occupation or employment of the person within the 5 years preceding the notice;
    - (C) the class or series and number of shares in the capital of the Company which are directly or indirectly controlled or directed or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and

- (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- (ii) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).
- (e) The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that would reasonably be expected to be material to a reasonable shareholder's understanding of the independence and/or qualifications, or lack thereof, of such proposed nominee.
- (f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 26.1; provided, however, that nothing in this Article 26.1 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act or at the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions of this Article 26.1 and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (g) For purposes of this Article 26.1:
- (i) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and
- (ii) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

- (h) Notwithstanding any other provision of this Article 26.1, notice given to the secretary of the Company pursuant to this Article 26.1 may only be given by personal delivery or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery or email (at the address as aforesaid) to the secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (i) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement of this Article 26.1.

## 26.2 Application

Article 26.1 does not apply to the Company in the following circumstances:

- (a) if and for so long as the Company is not a public company; or
- (b) to the election or appointment of a director or directors in the circumstances set forth in Article 14.7.