

MONTFORT CAPITAL CORP.
(the "Company")

The Company has as its articles the following articles.

Incorporation number: BC0806811

(the "Company")

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~~TIMIA CAPITAL CORP.~~
MONTFORT CAPITAL CORP.
(the "Company")
ARTICLES

1. INTERPRETATION

1.1. Definitions

In these Articles, unless the context otherwise requires:

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

1.2. *Business Corporations Act* and *Interpretation Act* Definitions Applicable

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

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

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

2.2 Form of Share Certificate

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

2.3 Shareholder Entitled to Certificate or Acknowledgment

Each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several

joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

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

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

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

- (a) proof satisfactory to them that the share certificate or acknowledgment 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 share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

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

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or

partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

3. ISSUE OF SHARES

3.1 Directors Authorized

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

3.2 Commissions and Discounts

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

3.3 Brokerage

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

3.4 Conditions of Issue

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

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

4. SHARE REGISTERS

4.1 Central Securities Register

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

4.2 Closing Register

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

5. SHARE TRANSFERS

5.1 Registering Transfers

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

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

5.2 Form of Instrument of Transfer

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

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments 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 Enquiry as to Title Not Required

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

5.6 Transfer Fee

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

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

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

6.2 Rights of Legal Personal Representative

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

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

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

7.2 Purchase When Insolvent

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

- (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.

8. BORROWING POWERS

The Company, if authorized by the directors, may:

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

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

- (a) Subject to Article 9.2 and the *Business Corporations Act*, the Company may by ordinary resolution:
 - (i) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
 - (ii) if the Company is authorized to issue shares of a class of shares with par value:
 - (A) decrease the par value of those shares; or
 - (B) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
 - (iii) 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;
 - (iv) alter the identifying name of any of its shares; or
 - (v) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

- (b) Subject to Article 9.2 and the *Business Corporations Act*, the Company may by directors resolution:
 - (i) 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;
 - (ii) 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;

9.2 Special Rights and Restrictions

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

- (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 of those shares have been issued; or
- (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 of those shares have been issued.

9.3 Change of Name

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

9.4 Other Alterations

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

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

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

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

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

10.4 Notice for Meetings of Shareholders

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

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

10.5 Record Date for Notice

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

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

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

10.6 Record Date for Voting

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

10.7 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
 - (ii) location in British Columbia as is specified in the notice; and
 - (iii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

- (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) the setting of the remuneration of an auditor;
 - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (ix) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

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 Other Persons May Attend

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

11.6 Requirement of Quorum

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

11.7 Lack of Quorum

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

- (a) in the case of a general meeting requisitioned by 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.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(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.

11.9 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.

11.10 Selection of Alternate Chair

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

11.11 Adjournments

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

11.12 Notice of Adjourned Meeting

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

11.13 Decisions by Show of Hands or Poll

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

11.14 Declaration of Result

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

11.15 Motion Need Not be Seconded

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

11.16 Casting Vote

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

11.17 Manner of Taking Poll

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

- (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.

11.18 Demand for Poll on Adjournment

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

11.19 Chair Must Resolve Dispute

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

11.20 Casting of Votes

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

11.21 Demand for Poll

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

11.22 Demand for Poll Not to Prevent Continuance of Meeting

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

11.23 Retention of Ballots and Proxies

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

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

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

- (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 Persons in Representative Capacity

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

12.3 Votes by Joint Holders

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

- (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.

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 12.5:
 - (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

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 or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, Articles 12.7 to 12.15 apply only insofar as they are not inconsistent with 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 insofar as they are not inconsistent with the 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.

12.8 Alternate Proxy Holders

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

12.9 When Proxy Holder Need Not Be Shareholder

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

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

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

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

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

12.11 Validity of Proxy Vote

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

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

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

Signed [month, day, year]

[Signature of shareholder]

- (ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(b)(i) or 13.1(c)(i):

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

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

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

13.8 Gratuity, Pension or Allowance on Retirement of Director

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

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

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

14.3 Failure to Elect or Appoint Directors

If:

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

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

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

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these

Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

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

14.6 Remaining Directors Power to Act

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

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

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

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

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

14.9 Ceasing to be a Director

A director ceases to be a director when:

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

14.10 Removal of Director by Shareholders

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

14.11 Removal of Director by Directors

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

14.12 Advance Notice for Nomination of Directors

- (a) Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes electing directors, as follows:
 - (i) by or at the direction of the board of directors, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or
 - (iii) by any shareholder of the Company (a “**Nominating Shareholder**”) who:
 - A. at the close of business on the date of the giving of the notice provided for below in this Article 14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and
 - B. has given Timely Notice in proper written form as set out in this Article 14.12.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such Nominating Shareholder must have given Timely Notice thereof in proper written form to the Chief Financial Officer of the Company at the principal executive offices of the Company in accordance with this Article 14.12.
- (c) For a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), a Nominating Shareholder’s notice must be received by the Chief Financial Officer of the Company at the head office of the Company:

- (i) in the case of annual meeting, not later than the close of business on the 20th day following the first public announcement of the date of the annual meeting, and not earlier than the opening of business on the 65th day before the date of the annual meeting; provided, however, if the first public announcement of the date of the annual meeting is less than 50 days before the meeting date, not later than the close of business on the 10th day following the day on which the first public announcement of the date of such meeting is made; and
 - (ii) in the case of a special meeting of shareholders (which is not also an annual meeting) called for any purpose which includes electing directors, not later than the close of business on the 10th day following the day on which the first public announcement of the date of the special meeting is made.
- (d) The time periods for giving of a Timely Notice shall in all cases be determined based on the original date of the annual meeting or the first public announcement of the annual or special meeting, as applicable. In no event shall the adjournment or postponement of an annual meeting or special meeting or an announcement thereof commence a new time period for the giving of a Timely Notice.
- (e) To be in proper written form, a Nominating Shareholder's notice to the Chief Financial Officer of the Company must comply with all the provisions of this Article 14.12 and:
- (i) disclose or include, as applicable, as to each person (a **"Proposed Nominee"**) whom the Nominating Shareholder's proposes to nominate for election as a director:
 - A. the name, age, business and residential address, and principal occupation or employment of each Proposed Nominee for the past five years;
 - B. the direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Company held by each Proposed Nominee, including the number or principal amount and the date(s) on which such securities were acquired;
 - C. any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Proposed Nominee or any affiliates or associates of, or any person or entity acting jointly or in concert with, each Proposed Nominee and the Nominating Shareholder;
 - D. a statement as to whether such person would be "independent" of the Company (within the meaning of section 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination; and
 - E. any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and applicable securities laws; and

- (ii) disclose or include, as applicable, as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:
 - A. the name, age, business and residential address, and principal occupation or employment of each Nominating Shareholder for the past five years;
 - B. the name, business and residential address and direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Company held by each Nominating Shareholder, including the number or principal amount and the date(s) on which such securities were acquired;
 - C. any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between each Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
 - D. any proxy, contract, arrangement, agreement or understanding pursuant to which each Nominating Shareholder, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board.
 - E. any direct or indirect interest of each Nominating Shareholder in any contract with the Company or with any of the Company's affiliates or principal competitors;
 - F. a representation that each Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
 - G. a representation as to whether each Nominating Shareholder intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and
 - H. any other information relating to each Nominating Shareholder that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act or as required by applicable securities law; and
 - (iii) be accompanied by a written consent duly signed by each Proposed Nominee consenting to being named as a nominee and to serving as a director of the Company, if elected.
- (f) The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the

eligibility of such Proposed Nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such Proposed Nominee.

- (g) No person shall be eligible for election as a director of the Company unless nominated in accordance with the procedures set forth in this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude a shareholder from discussing (as distinct from nominating directors) at a meeting of shareholders any matter in respect of which the shareholder would have been entitled to submit a proposal pursuant to the provisions of the Business Corporations Act, in the event that the shareholder has complied with the provisions of the Business Corporations Act for such proposal.
- (h) The chair 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 and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (i) Any notice or other document or information required to be given to the Chief Financial Officer of the Company pursuant to this Article 14.12 may only be given by personal delivery or email (at such email address as stipulated from time to time by the Chief Financial Officer of the Company for purposes of this Article 14.12), 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 aforesaid) to the Chief Financial Officer 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 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 on the subsequent day that is a business day.
- (j) Despite any other provision of this Article 14.12, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Company to present the nomination of the Proposed Nominee, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.
- (k) Nothing in this Article 14.12 shall obligate the Company or the board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Company or board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.
- (l) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 14.12.
- (m) For purposes of this Article 14.12:

- (i) “**applicable securities law**” means the applicable securities legislation in 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;
- (ii) “**head office**” means the address of the Company as specified on the Company’s profile at www.sedar.com; and
- (iii) “**public announcement**” shall mean disclosure in a press release disseminated by the Company through a national news service in Canada, as well as in a document filed by or on behalf of the Company for public access under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

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

15.2 Notice of Meetings

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

15.3 Alternate for More Than One Director Attending Meetings

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

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

who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

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

15.5 Alternate Director Not an Agent

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

15.6 Revocation of Appointment of Alternate Director

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

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

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

15.8 Remuneration and Expenses of Alternate Director

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

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

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of

directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

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

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.--25--

17.3 Interested Director Counted in Quorum

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

17.4 Disclosure of Conflict of Interest or Property

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

17.5 Director Holding Other Office in the Company

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

17.6 No Disqualification

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

17.7 Professional Services by Director or Officer

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

17.8 Director or Officer in Other Corporations

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

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

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

18.2 Voting at Meetings

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

18.3 Chair of Meetings

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

- (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 directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director

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

18.5 Calling of Meetings

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

18.6 Notice of Meetings

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

18.7 When Notice Not Required

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

- (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 or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

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

18.9 Waiver of Notice of Meetings

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

18.10 Quorum

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

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent Resolutions in Writing

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

- (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 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

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

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

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

19.3 Obligations of Committees

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

- (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 at such times as the directors may require.

19.4 Powers of Board

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

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

19.5 Committee Meetings

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

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

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

20. OFFICERS

20.1 Directors May Appoint Officers

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

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

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

20.3 Qualifications

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

20.4 Remuneration and Terms of Appointment

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

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (a) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
 - (i) is or may be joined as a party; or

(ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

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

21.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3 Indemnification of Other Persons

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

21.4 Non-Compliance with Business Corporations Act

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

21.5 Company May Purchase Insurance

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

- (a) is or was a director, alternate director, officer, employee or agent of the Company;
- (b) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;
- (e) against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

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

22.2 Declaration of Dividends

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

22.3 No Notice Required

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

22.4 Record Date

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

22.5 Manner of Paying Dividend

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

22.6 Settlement of Difficulties

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

- (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.

22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance with Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

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

22.13 Capitalization of Surplus

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

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

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

23.2 Inspection of Accounting Records

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

24. NOTICES

24.1 Method of Giving Notice

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

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (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.

24.2 Deemed Receipt of Mailing

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

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 Trustees

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

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

- (b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL

25.1 Who May Attest Seal

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

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

25.2 Sealing Copies

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

25.3 Mechanical Reproduction of Seal

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

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

- (a) "designated security" means:
 - (i) a voting security of the Company;

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

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

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

27. AUTHORIZED CAPITAL

The special rights and restrictions attached to the shares of the Company may be summarized as follows:

CLASS	DIVIDEND ENTITLEMENT	VOTING RIGHTS	LIQUIDATION ENTITLEMENT	REDEEMABLE	RETRACTABLE
Common	Participating	Voting	Pro rata with other Shares	No	No
Preferred	Participating	Non-Voting	Pro rata with other Shares	No	Yes

27.1 Authorized Capital

The authorized capital of the Company shall consist of:

- (a) an unlimited number of Common shares; and
- (b) an unlimited number of Preferred shares.

28. SPECIAL RIGHTS AND RESTRICTIONS OF COMMON SHARES

The Common shares, as a class, shall have attached to them the following rights, privileges, restrictions and conditions:

28.1 Voting

The holders of the Common shares shall each be entitled to:

- (a) receive notice of, and to attend at, all meetings of shareholders of the Company, except meetings at which only holders of another class of shares of the Company not held by such shareholder are entitled to vote separately as a class; and
- (b) one vote in respect of each Common share held by such shareholder on each matter presented to the shareholders of the Company for their action or consideration at a meeting of shareholders of the Company, except matters on which only holders of a class of shares of the Company other than the Common shares are entitled to vote separately as a class.

28.2 Dividends

Subject to any preferential rights and restrictions contained in these Articles and any other shares ranking senior to the Common shares with respect to priority in the payment of dividends, the return of capital and the distribution of assets upon liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of Common shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Company may from time to time determine.

28.3 Dissolution, Liquidation or Winding Up

Subject to any preferential rights and restrictions contained in these Articles and any other

shares ranking senior to the Common Shares, the holders of the Common Shares shall be entitled to share in the remaining property of the Company upon liquidation, dissolution, bankruptcy, winding-up or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs.

28.4 Modifications

The special rights and restrictions attached to the Common shares of the Company shall not be modified, abrogated, dealt with or affected unless the holders of the Common shares consent thereto by separate special resolution. At any class meeting of Common shares, all the provisions of these Articles relating in any manner to general meetings or to the proceedings thereat, or to the rights of shareholders at or in connection therewith, shall *mutatis mutandis* apply.

29. SPECIAL RIGHTS AND RESTRICTIONS OF CLASS A PREFERRED SHARES

The Class A Preferred shares, as a class, shall have the attached to them the following special rights and restrictions:

29.1 Voting

The holders of the Class A Preferred shares shall have the right to receive notice of and attend any meeting of shareholders of the Company. Holders of the Class A Preferred shares shall not have the right to vote at any general meeting of the shareholders of the Company.

29.2 Priority

No special rights or restrictions attached to a series of Class A preferred shares shall confer upon that series a priority in respect of dividends or return of capital over any other series of Class A preferred shares then outstanding.

The Class A preferred shares shall have priority over the Common Shares and any other class of shares of the Company ranking junior to the Class A preferred shares, and each series of Class A preferred shares shall rank on parity with every other series of Class A preferred shares, in each case with respect to the payments of dividends, the return of capital and the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

29.3 Dividends

The holders of Class A Preferred shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Company may from time to time determine. After payment to the holders of Class A Preferred shares of the amounts of dividends and capital payable in accordance with these Articles and the rights, privileges and restrictions attached to each series of Class A Preferred shares, which for greater certainty and pursuant to Section 29.2 of these Articles are payable in priority over any amounts payable to the Common shares of the Company and over any other shares of the Company ranking junior to the Class A Preferred shares, the holders of Class A Preferred shares shall not be entitled to share in any further distribution of the property and assets of the Company except as expressly set out in these Articles. The Class A Preferred shares of any series may also be given such other preferences over the Common shares and over any other shares

ranking junior to the Class A Preferred shares as may be determined in the case of such series of Preferred shares.

29.4 Liquidation, Dissolution or Winding Up

In the event of liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Class A preferred shares shall be entitled to receive any declared but unpaid dividends or amounts payable on a return of capital in respect of a series of Class A preferred shares and if such amounts are not paid in full, the Class A preferred shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class A preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Class A preferred shares of the amount so payable to such holders as herein provided, the holders of such series of Class A preferred shares shall not be entitled to share in any further distribution of the property or assets of the Company in the event of the liquidation, dissolution or winding up of the Company.

29.5 Issuable in Series

The board of directors of the Company may issue the Class A Preferred shares at any time and from time to time in one or more series and, before the first shares of any particular series are issued, shall fix the number of Class A Preferred shares in such series and, determine, subject to the limitations in these Articles, the designation, rights, privileges, restrictions and conditions attached to the shares of such series including without limitation, the rate or rates, amount or method or methods of calculation of dividends thereon, the time and place of payment of dividends, whether cumulative or non-cumulative or partially cumulative and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment of dividends, the priorities thereof in relation to other shares or the priorities of other shares in relation thereto, if any, the consideration and the terms and conditions of any purchase for cancellation, retraction or redemption rights, if any, the conversion or exchange rights attached thereto, if any, the voting rights attached thereto, if any, and the terms and conditions of any share purchase plan or sinking fund with respect thereto.

29.6 Modifications

The special rights and restrictions attached to the Class A Preferred shares of the Company shall not be modified, abrogated, dealt with or affected unless the holders of the Class A Preferred shares consent thereto by separate ordinary resolution. At any class meeting of Class A Preferred shares, all the provisions of these Articles relating in any manner to general meetings or to the proceedings thereat, or to the rights of shareholders at or in connection therewith, shall mutatis mutandis apply, except that the necessary quorum shall be a person or persons collectively holding or representing by proxy not less than 5% of the then outstanding Class A Preferred shares.

30. SPECIAL RIGHTS AND RESTRICTIONS OF CLASS B PREFERRED SHARES

30.1 Voting

The holders of the Class B preferred shares shall have the right to receive notice of and attend any meeting of shareholders of the Company. However, the holders of any series of Class B preferred shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class B preferred shares or a series thereof) to vote at any meeting of shareholders of the Company, unless the board of directors of the Company shall determine otherwise, in which case voting rights shall only be provided in circumstances where the Company shall have failed to pay a certain number of dividends on such series of Class B preferred shares, which determination and number of dividends and any other terms in respect of such voting rights, shall be determined by the board of directors of the Company and set forth in the designations, rights, privileges, restrictions and conditions of such series of Class B preferred shares.

30.2 Priority

No special rights or restrictions attached to a series of Class B preferred shares shall confer upon that series a priority in respect of dividends or return of capital over any other series of Class B preferred shares then outstanding.

The Class B preferred shares shall be junior to the Class A preferred shares but shall have priority over the Common Shares and Class C preferred shares and any other class of shares of the Company ranking junior to the Class B preferred shares, and each series of Class B preferred shares shall rank on parity with every other series of Class B preferred shares, in each case with respect to the payments of dividends, the return of capital and the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

30.3 Other Preferences

Any series of the Class B preferred shares may also be given such other preferences, not inconsistent with the provisions hereof, over the Common Shares, the Class C preferred shares and over any other class of shares of the Company ranking junior to the Class B preferred shares as may be determined by the board of directors of the Company.

30.4 Dividends

The holders of the Class B preferred shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Company may from time to time determine. Any dividends declared on the Class B preferred shares shall be preferential in respect of dividends declared on the Common Shares and Class C preferred shares but shall be junior to any dividends declared on the Class A preferred shares of Company.

30.5 Liquidation, Dissolution or Winding Up

In the event of liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, and after payment to the holders of any Class A preferred shares of the amounts to which they are entitled as herein provided, the holders of the Class B preferred shares shall be entitled to receive any declared but unpaid dividends or amounts payable on a return of capital in respect of a series of Class B preferred shares and if such amounts are not paid in full, the Class B preferred shares of

all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class B preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Class B preferred shares of the amount so payable to such holders as herein provided, the holders of such series of Class B preferred shares shall not be entitled to share in any further distribution of the property or assets of the Company in the event of the liquidation, dissolution or winding up of the Company.

30.6 Issuable in Series

Before the first shares of a particular series of Class B preferred shares are issued, the board of directors of the Company shall fix the number of shares in such series and shall determine, subject to any limitations set forth in these provisions as more fully set forth below, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series including, without limitation, the rate and amount of any dividends to be declared (which may be cumulative or non-cumulative and variable or fixed), the method of calculating such dividends and whether such rate, amount or method of calculation shall be subject to change(s) or adjustment(s) in the future (and the terms of such change(s) or adjustment(s)), the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such dividends shall accrue, the terms of redemption and/or purchase for cancellation, including the redemption price and other terms and conditions of redemption and/or purchase for cancellation, the rights of retraction (if any) and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be provided to such holders in the future, the voting rights (if any, and subject to Article 30.1) and the conversion or exchange rights (if any) and restrictions on payment of dividends on any shares other than the Class B preferred shares or payment in respect of capital on any shares in the capital of the Company and any sinking fund, purchase fund or other provisions attaching thereto.

30.7 Modifications

The special rights and restrictions attached to the Class B preferred shares of the Company shall not be modified, abrogated, dealt with or affected unless the holders of the Class B preferred shares consent thereto by separate ordinary resolution. At any class meeting of Class B preferred shares, all the provisions of these Articles relating in any manner to general meetings or to the proceedings thereat, or to the rights of shareholders at or in connection therewith, shall mutatis mutandis apply, except that the necessary quorum shall be a person or persons collectively holding or representing by proxy not less than 5% of the then outstanding Class B preferred shares.

31. SPECIAL RIGHTS AND RESTRICTIONS OF CLASS C PREFERRED SHARES

The Class C preferred shares, as a class, shall have attached to them the following special rights and restrictions:

31.1 Voting

The holders of the Class C preferred shares shall have the right to receive notice of and attend any meeting of shareholders of the Company. However, the holders of any series of Class C preferred shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class C preferred shares or a series thereof) to vote at any meeting of shareholders of the Company, unless the board of directors of the Company shall determine

otherwise, in which case voting rights shall only be provided in circumstances where the Company shall have failed to pay a certain number of dividends on such series of Class C preferred shares, which determination and number of dividends and any other terms in respect of such voting rights, shall be determined by the board of directors of the Company and set forth in the designations, rights, privileges, restrictions and conditions of such series of Class C preferred shares.

31.2 Priority

No special rights or restrictions attached to a series of Class C preferred shares shall confer upon that series a priority in respect of dividends or return of capital over any other series of Class C preferred shares then outstanding.

The Class C preferred shares shall be junior to the Class A preferred shares and Class B preferred shares but shall have priority over the Common shares and any other class of shares of the Company ranking junior to the Class C preferred shares, and each series of Class C preferred shares shall rank on parity with every other series of Class C preferred shares, in each case with respect to the payments of dividends, the return of capital and the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

31.3 Other Preferences

Any series of the Class C preferred shares may also be given such other preferences, not inconsistent with the provisions hereof, over the Common Shares and over any other class of shares of the Company ranking junior to the Class C preferred shares as may be determined by the board of directors of the Company.

31.4 Dividends

The holders of the Class C preferred shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Company may from time to time determine. Any dividends declared on the Class C preferred shares shall be preferential in respect of dividends declared on the Common Shares but shall be junior to any dividends declared on the Class A preferred shares and Class B preferred shares.

31.5 Liquidation, Dissolution or Winding-Up

In the event of liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, and after payment to the holders of any Class A preferred shares and Class B preferred shares of the amounts to which they are entitled as herein provided, the holders of the Class C preferred shares shall be entitled to receive any declared but unpaid dividends or amounts payable on a return of capital in respect of a series of Class C preferred shares and if such amounts are not paid in full, the Class C preferred shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class C preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Class C preferred shares of the amount so payable to such holders as herein provided, the holders of such series of Class C preferred shares shall not be entitled to share in any further

distribution of the property or assets of the Company in the event of the liquidation, dissolution or winding up of the Company.

31.6 Issuable in Series

Before the first shares of a particular series of Class C preferred shares are issued, the board of directors of the Company shall fix the number of shares in such series and shall determine, subject to any limitations set forth in these provisions as more fully set forth below, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series including, without limitation, the rate and amount of any dividends to be declared (which may be cumulative or non-cumulative and variable or fixed), the method of calculating such dividends and whether such rate, amount or method of calculation shall be subject to change(s) or adjustment(s) in the future (and the terms of such change(s) or adjustment(s)), the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such dividends shall accrue, the terms of redemption and/or purchase for cancellation, including the redemption price and other terms and conditions of redemption and/or purchase for cancellation, the rights of retraction (if any) and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be provided to such holders in the future, the voting rights (if any, and subject to Article 31.1) and the conversion or exchange rights (if any) and restrictions on payment of dividends on any shares other than the Class C preferred shares or payment in respect of capital on any shares in the capital of the Company and any sinking fund, purchase fund or other provisions attaching thereto.

31.7 Modifications

The special rights and restrictions attached to the Class C preferred shares of the Company shall not be modified, abrogated, dealt with or affected unless the holders of the Class C preferred shares consent thereto by separate ordinary resolution. At any class meeting of Class C preferred shares, all the provisions of these Articles relating in any manner to general meetings or to the proceedings thereat, or to the rights of shareholders at or in connection therewith, shall mutatis mutandis apply, except that the necessary quorum shall be a person or persons collectively holding or representing by proxy not less than 5% of the then outstanding Class C preferred shares.

32. TERMS OF SERIES A CLASS A PREFERRED SHARES

1. Designation and Number of Shares. There shall hereby be created and established a series of Class A Preferred shares of Montfort Capital Corp. (the “**Company**”) designated as “Series A Class A Preferred Shares” (the “**Series A Preferred Shares**”). The authorized number of Series A Preferred Shares shall be unlimited. Capitalized terms not defined herein shall have the meaning as set forth in Section 18 below. No dividends shall accrue or be payable with respect to the Series A Preferred Shares except as set forth in Section 9 below.
2. Ranking. Except with respect to any other series of Class A Preferred shares of pari passu rank to the Series A Class A Preferred Shares in respect of the preferences as to dividends and return of capital of the Company (collectively, the “**Parity Shares**”), all shares in the capital of the Company shall be junior in rank to the Series A Class A Preferred Shares with respect to the preference as to dividends, return of capital, and distributions of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (collectively, the “**Junior Shares**”). The rights of all Junior Shares of the Company shall be subject to the rights, powers, preferences and privileges of the Series A Preferred Shares set forth herein. For the avoidance of doubt, in no circumstance will a Series A Preferred Share have any rights subordinate or otherwise inferior to the rights of Parity Shares or Common Shares (as defined below).
3. Retraction. Each Series A Preferred Share shall be retractable on the terms and conditions set forth in this Section 3.
 - (a) Company’s Retraction Right. At any time or times on or after the date that is the three (3) year anniversary of the Initial Issuance Date, the Company shall be entitled, at the Company’s option, to repurchase the Series A Preferred Shares (the “**Retraction Right**”). The Company may exercise its Retraction Right pro rata in respect of all or any lesser number of the Series A Preferred Shares held by each holder of Series A Preferred Shares (each, a “**Holder**” and collectively, the “**Holders**”). Upon exercise of the Retraction Right, each Holder, shall have the option to receive either (i) validly issued, fully paid and non-assessable Common Shares in exchange for such Holder’s Series A Preferred Shares at the Exchange Rate, or (ii) a cash payment in an amount equal to the subscription price paid per Series A Preferred Share (the “**Holder’s Election**”).
 - (b) Exchange Rate. The number of validly issued, fully paid and non-assessable Common Shares issuable upon retraction of each Series A Preferred Share of which the Holder elects to exchange for Common Shares pursuant to Section 3(a) shall initially be set at 1:1 (the “**Exchange Rate**”), subject to adjustment as provided herein. No fractional Common Shares are to be issued upon the conversion of any Series A Preferred Shares. If the issuance would result in the issuance of a fraction of a Common Share, the Company shall round such fraction of a Common Share down to the nearest whole Common Share.
 - (c) Manner of Exercise. The Retraction Right shall be exercised in the following manner:
 - (i) Notice. Should the Company elect to exercise its Retraction Right, the Company shall deliver written notice to each Holder (the “**Retraction Notice**”). Within ten (10) days of receiving the Retraction Notice (the “**Holder’s Election Deadline**”), the Holder shall make the Holder’s Election by delivering written notice of such election in accordance with the instructions set forth in the Retraction Notice (the “**Holder’s Election**”).

Notice”), accompanied by any certificates representing the Holder’s Series A Preferred Shares. Should the Company not receive the Holder’s Election Notice by the Holder’s Election Deadline, the Company shall make the Holder’s Election for such Holder in its sole discretion. Such decision made by the Company shall be binding and final on the Holder and the Company.

- (ii) Exercise of Retraction Right. On or before the tenth (10th) Business Day following the Holder’s Election Deadline, the Company shall, based upon the Holder’s Election, issue and deliver, or cause to be issued and delivered, to the address as specified in such Holder’s Election Notice, or to the address specified in the register maintained by the Company for the Series A Preferred Shares if no address is specified or no Holder’s Election Notice is provided, either (A) a certificate, registered in the name of such Holder or its designee, for the number of Common Shares to which such Holder shall be entitled, or (B) a cheque representing the aggregate amount payable in exchange for such Holder’s repurchased Series A Preferred Shares. If the number of Series A Preferred Shares elected to be repurchased pursuant to Section 3(c)(i) is less than the number of Series A Preferred Shares held by the Holder, then the Company shall issue and deliver to such Holder (or its designee) a new certificate representing the Series A Preferred Shares not repurchased.
- (iii) Record Holder. If applicable, the Person or Persons entitled to receive the Common Shares issuable upon a repurchase of Series A Preferred Shares shall be treated for all purposes as the record holder or holders of such Common Shares on the date of repurchase.
- (iv) Determinations of the Company. Any question arising with respect to any exchanges or any adjustments pursuant to Section 3 shall, absent manifest error, be conclusively determined by the Company and such determination shall, absent manifest error, be binding upon all of the Holders of Series A Preferred Shares.
- (v) Taxes. The Holder shall pay any and all documentary, stamp, transfer (but only in respect of the registered holder thereof), issuance and other similar taxes that may be payable with respect to the issuance and delivery of Common Shares upon any of the Series A Preferred Shares subject to exchange and repurchase.

4. Conversion. Each Series A Preferred Share shall be convertible on the terms and conditions set forth in this Section 4.

- (a) Holder’s Conversion. At any time or times on or after the Initial Issuance Date, the Holder shall be entitled, at the Holder’s option, to receive validly issued, fully paid and non-assessable Common Shares in exchange for such Holder’s Series A Preferred Shares at the Exchange Rate (the “**Conversion Right**”).
- (b) Exchange Rate. The number of validly issued, fully paid and non-assessable Common Shares issuable upon conversion of each Series A Preferred Share of which the Holder elects to exchange for Common Shares pursuant to Section 4(a) shall initially be set at the Exchange Rate, subject to adjustment as provided herein. No fractional Common Shares are to be issued upon the conversion of any Series A Preferred Shares. If the issuance would result in the issuance of a

fraction of a Common Share, the Company shall round such fraction of a Common Share down to the nearest whole Common Share.

- (c) Manner of Exercise. The Conversion Right shall be exercised in the following manner:
- (i) Notice. Should the Holder elect to exercise its Conversion Right, the Holder shall deliver written notice to the Company (the “**Conversion Notice**”) accompanied by any certificates representing the Holder’s Series A Preferred Shares. The Conversion Notice shall set out the number of Series A Preferred Shares the Holders is electing to convert, as well as the registration and delivery instructions for the Common Shares to be issued upon exercise of the Holder’s Conversion Right. The Holder shall provide any other information reasonably required by the Company in order that the Company issue Common Shares upon exercise of the Conversion Right.
 - (ii) Exercise of Conversion Right. On or before the tenth (10th) Business Day following the receipt of the Conversion Notice, the Company shall, based upon the instructions in the Conversion Notice, issue and deliver, or cause to be issued and delivered, to the address as specified in the Conversion Notice a certificate, registered in the name of such Holder or its designee, for the number of Common Shares to which such Holder shall be entitled. If the number of Series A Preferred Shares elected to be converted pursuant to Section 4(c)(i) is less than the number of Series A Preferred Shares held by the Holder, then the Company shall issue and deliver to such Holder (or its designee) a new certificate representing the Series A Preferred Shares not converted.
 - (iii) Record Holder. If applicable, the Person or Persons entitled to receive the Common Shares issuable upon a conversion of Series A Preferred Shares shall be treated for all purposes as the record holder or holders of such Common Shares on the date of conversion.
 - (iv) Determinations of the Company. Any question arising with respect to any exchanges or any adjustments pursuant to Section 4 shall, absent manifest error, be conclusively determined by the Company and such determination shall, absent manifest error, be binding upon all of the Holders of Series A Preferred Shares.
- (d) Taxes. The Holder shall pay any and all documentary, stamp, transfer (but only in respect of the registered holder thereof), issuance and other similar taxes that may be payable with respect to the issuance and delivery of Common Shares upon any of the Series A Preferred Shares subject to conversion.

5. Adjustments.

- (a) Adjustment of Exchange Rate upon Subdivision or Combination of Common Shares. Without limiting any provision of Section 9, if the Company at any time on or after the Initial Issuance Date subdivides (by any share split, share dividends, recapitalization or otherwise) its outstanding Common Shares into a greater number of shares, the Exchange Rate in effect immediately prior to such subdivision will be proportionately increased. Without limiting any provision of Section 9, if the Company at any time on or after the Initial Issuance Date combines (by combination, reverse share split or otherwise) its outstanding

Common Shares into a smaller number of shares, the Exchange Rate in effect immediately prior to such combination will be proportionately decreased. Any adjustment pursuant to this Section 5 shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 5 occurs during the period that an Exchange Rate is calculated hereunder, then the calculation of such Exchange Rate shall be adjusted appropriately to reflect such event.

- (b) Rights Upon Fundamental Transactions. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under these terms in accordance with the provisions of this Section 5(b) pursuant to written agreements in form and substance satisfactory to the Required Holders and approved by the Required Holders prior to such Fundamental Transaction, including agreements to deliver to each holder of Series A Preferred Shares in exchange for such Series A Preferred Shares a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to these terms and having similar ranking to the Series A Preferred Shares, and reasonably satisfactory to the Required Holders. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of these terms and the other Transaction Documents referring to the “Company” shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under these terms and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein and therein. In addition to the foregoing, upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to each Holder confirmation that there shall be issued upon any exchange of the Series A Preferred Shares pursuant to the Retraction Right or Conversion Right, as applicable, at any time after the consummation of such Fundamental Transaction, in lieu of the Common Shares (or other securities, cash, assets or other property (except such items still issuable under Section 5(a), which shall continue to be receivable thereafter)) issuable upon the exchange or conversion of the Series A Preferred Shares prior to such Fundamental Transaction, such publicly traded common shares (or their equivalent) of the Successor Entity (including its Parent Entity, if applicable) that each Holder would have been entitled to receive upon the happening of such Fundamental Transaction had all the Series A Preferred Shares held by each Holder been exchanged or converted, as applicable, immediately prior to such Fundamental Transaction (without regard to any limitations on the exchange or conversion of the Series A Preferred Shares contained herein), as adjusted in accordance with the provisions herein. The provisions of this Section 5(b) shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations herein on the exchange of the Series A Preferred Shares.
- (c) Coattail Provisions. For so long as the Company is a reporting issuer in a province of Canada, if, after the Initial Issuance Date, a “take-over bid”, as defined in *National Instrument 62-104 – Take-over Bids and Issuer Bids*, is made for outstanding Common Shares or other series or class of Class A Preferred shares (a “**Class Offer**”) and the Class Offer does not include a concurrent identical take-over bid for the Series A Class A Preferred Shares (the “**Coattail Shares**”), including in terms of price per security and percentage of outstanding securities to be taken up exclusive of securities owned immediately before the bid by the offeror, or associates or affiliates of the offeror, and in all other material respects),

then the Company shall by press release provide written notice to the holders of the Coattail Shares that the Class Offer has been made and of the right of such holders to convert all or a part of their Coattail Shares into the Common Shares or other series or class of Class A Preferred shares that are subject to the Class Offer (the “**Bid Shares**”) and tender such Bid Shares to the Class Offer. Such Coattail Shares may, in such circumstances, be converted at any time prior to the business day that is five business days prior to the expiry of the Class Offer (the “**Conversion End Date**”) by delivering a notice to the Company and surrendering such Series A Class A Preferred Shares by 5:00 p.m. (Vancouver time) on the Conversion End Date. Any such Coattail Shares so delivered shall be converted into Bid Shares and tendered on behalf of the Holder to the Class Offer. In connection with such conversion and tender by any such Holder, the Holder shall complete and execute any and all such documentation as the Company shall require or consider necessary to give effect to this provision. For each Coattail Share so converted, a Holder will receive a number of Bid Shares calculated based on the Coattail Exchange Rate as of the Conversion End Date, provided that, to the extent that such Bid Shares are not acquired pursuant to the Class Offer, such Bid Shares shall be reconverted into that number of Coattail Shares held by the Holder prior to the conversion. Fractional Bid Shares will not be issued and the number of Bid Shares issuable under this provision to a Holder will be rounded down to the nearest whole Bid Share.

6. Authorized Common Shares. Prior to the delivery of any Retraction Notice, the Company shall reserve and authorize for issuance such number of Common Shares as required to satisfy the exchange of each Series A Preferred Share subject to any such Retraction Notice.
7. Voting Rights. Holders of Series A Preferred Shares shall have no voting rights, except as required by law and as expressly provided in these terms. To the extent that holders of the Series A Preferred Shares are entitled to vote on a matter with holders of Common Shares, voting together as one class, each Series A Preferred Share shall entitle the holder thereof to cast that number of votes per share as is equal to the number of Common Shares into which it is then exchangeable using the record date for determining the shareholders of the Company eligible to vote on such matters as the date as of which the Exchange Rate is calculated. Holders of the Series A Preferred Shares shall be entitled to written notice and attend at all general shareholder meetings, which notice would be provided pursuant to the Company’s articles and applicable law. In connection with any action to be taken by the Company which requires the approval of Holders of Series A Preferred Shares voting as a series, each such Series A Preferred Share will entitle the Holder thereof to one vote.
8. Liquidation, Dissolution, Winding-Up.

In the event of liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Series A Preferred Shares shall be entitled to receive any declared but unpaid dividends or amounts payable on a return of capital in respect of a series of Class A preferred shares and if such amounts are not paid in full, the Class A preferred shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class A preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends.

After payment to the holders of any series of Class A preferred shares of the amount so payable to such holders as herein provided, the holders of such series of Class A preferred shares shall not be entitled to share in any further distribution of the property or assets of the Company in the event of the liquidation, dissolution or winding up of the Company.

9. Participation.

- (a) Dividends. From and after the issuance date of any Series A Preferred Share (the “**Date of Issuance**”), holders of the Series A Preferred Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors at a rate to be determined by the Board of Directors. Each declaration will be final and binding on the Holders and the Company and, if declared by the Board of Directors, will be declared on or before the day that is 45 days after the end of the applicable financial quarter. Once declared, all dividends on any Series A Preferred Share, shall be paid quarterly in cash on the 25th day following the date of declaration out of funds legally available therefor and at all times upon a liquidation in accordance with the provisions of Section 8. All accrued and declared dividends on the Series A Preferred Shares shall be prior and in preference to any dividend on any Junior Shares and shall be fully declared and paid before any dividends are declared and paid, or any other distributions or redemptions are made, on any Junior Shares. Any dividends declared on the Series A Preferred Shares will be paid by forwarding, by prepaid post, addressed to each registered holder of the Series A Preferred Shares at the address of such holder as it appears on Series A Preferred Shares register maintained by the Company or, in the case of joint registered holders, to the address of that one whose name stands first in the Series A Preferred Shares register as one of such joint holders, a cheque for such dividends (less any tax deducted in conformity with applicable laws) payable to the order of such registered holder or, in the case of joint registered holders, to the order of all such holders failing written instructions from them to the contrary. Notwithstanding the foregoing, any dividend cheque may be delivered by the Company to a registered holder of Series A Preferred Shares at such registered holder’s address as aforesaid. The forwarding or delivery of such cheque shall satisfy such dividends to the extent of the sum represented thereby (plus the amount of any tax deducted in conformity with applicable laws) and shall be deemed to be payment to holders of Series A Preferred Shares and discharge all liability for the dividends payable unless such cheque be not paid on presentation. Each dividend on the Series A Preferred Shares shall be paid to the registered holders appearing on the registers at the close of business on such day (which shall not be more than 35 days preceding the date fixed for payment of such dividend) as may be determined from time to time by the Board of Directors.
- (b) Distribution. Except as otherwise provided herein, if at any time the Company pays less than the total amount of dividends then declared and accrued with respect to the Series A Preferred Shares, such payment shall be distributed pro rata among the holders thereof based upon the aggregate accrued but unpaid dividends on the Series A Preferred Shares held by each such holder.

10. Redemption. The Series A Preferred Shares shall not be redeemable.

11. Lost or Stolen Certificates. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any certificates representing Series A Preferred Shares (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of

loss, theft or destruction, of an indemnification undertaking by the applicable Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of the certificate(s), the Company shall execute and deliver new certificate(s) of like tenor and date.

12. Remedies, Other Obligations, Breaches and Injunctive Relief. The remedies provided in these terms shall be cumulative and in addition to all other remedies available under these terms, at law or in equity (including a decree of specific performance and/or other injunctive relief), and no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy. Nothing herein shall limit any Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms hereof. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by a Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder may cause irreparable harm to the Holders and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, each Holder shall be entitled, in addition to all other available remedies, to seek an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required, to the extent permitted by applicable law. The Company shall provide all information and documentation to a Holder that is reasonably requested by such Holder to enable such Holder to confirm the Company's compliance with the terms and conditions of these terms.
13. Non-circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its constating documents or through any reorganization, transfer of assets, consolidation, merger, plan of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms hereof, and will at all times in good faith carry out all the provisions these terms and take all action as may be reasonably required to protect the rights of the Holders. Without limiting the generality of the foregoing or any other provision of these terms, the Company (i) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the conversion of Series A Preferred Shares and (ii) shall, so long as any Series A Preferred Shares are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Common Shares, solely for the purpose of effecting the conversion of the Series A Preferred Shares, the maximum number of Common Shares as shall from time to time be necessary to effect the conversion of the Series A Preferred Shares then outstanding (without regard to any limitations on conversion contained herein).
14. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.
15. Notices. The Company shall provide each Holder of Series A Preferred Shares with prompt written notice of all actions taken pursuant to the terms hereof, including in reasonable detail a description of such action and the reason therefor. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i)

personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable courier service with charges prepaid, or (iv) transmitted by hand delivery or electronic mail, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery, or electronic mail at the address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company, to the address of its head office as listed under its issuer profile at www.sedar.com; and if to the Holder to the address in the Series A Preferred Share Register maintained pursuant to Section 16. Without limiting the generality of the foregoing, the Company shall give written notice to each Holder (i) promptly following any adjustment of the Exchange Rate, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least five (5) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, or (B) for determining rights to vote with respect to any dissolution or liquidation, provided, in each case, that such information shall be made known to the public prior to, or simultaneously with, such notice being provided to any Holder.

16. Series A Preferred Shares Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holders), a register for the Series A Preferred Shares, in which the Company shall record the name, address and electronic mail address of the Persons in whose name the Series A Preferred Shares have been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Series A Preferred Shares is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any properly made transfers.
17. Shareholder Matters; Amendment.
 - (a) Shareholder Matters. Any shareholder action, approval or consent required, desired or otherwise sought by the Company pursuant to the applicable laws, the constating documents of the Company, the terms hereof or otherwise with respect to the issuance of Series A Preferred Shares may be effected by written consent of the Company's shareholders or at a duly called meeting of the Company's shareholders, all in accordance with applicable laws.
 - (b) Amendment. The terms or any provision hereof may be amended by obtaining the affirmative vote at a meeting duly called for such purpose, or the written consent without a meeting, of the Required Holders, voting together as a single class, and with such other shareholder approval, if any, as may then be required by applicable laws and constating documents of the Company.
18. Certain Defined Terms. For purposes of these terms, the following terms shall have the following meanings:
 - (a) "**Business Day**" means any day other than Saturday, Sunday or other day on which commercial banks in the City of Vancouver, British Columbia are authorized or required by law to remain closed.

- (b) **“Coattail Exchange Rate”** is equal to: A / B
- where:
- A equals: the price per Coattail Share calculated as follows: (i) the aggregate gross proceeds received by the Company for the issuance of the outstanding Coattail Shares divided by (ii) the number of Coattail Shares issued and outstanding.
- B equals: the deemed price per Bid Share payable pursuant to the Class Offer.
- (c) **“Common Shares”** means the common shares in the capital of the Company, as constituted from time to time.
- (d) **“Fundamental Transaction”** means:
- (i) the purchase or acquisition by any Person, or group of Persons acting jointly or in concert, of voting control or direction of an aggregate of 50% or more of the outstanding Common Shares, or securities convertible into or carrying the right to acquire Common Shares, other than as a result of the conversion of the Series A Preferred Shares hereunder;
 - (ii) the completion by the Company of an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation or entity which requires approval of the shareholders of the Company pursuant to its constating documents, such that Persons would beneficially own, or exercise control or direction over, voting securities of the Company carrying the right to cast more than 50% of the votes attaching to all voting securities, and immediately following such an event, the directors of the Company immediately prior to such event do not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity immediately following such event;
 - (iii) the election at a meeting of the Company’s shareholders of that number of Persons which would represent a majority of the board of directors of the Company, as directors of the Company who are not included as management nominees for election as directors proposed to the Company’s shareholders by the Company;
 - (iv) the sale, lease or exchange of all or substantially all of the property of the Company other than in the ordinary course of business;
 - (v) such other transaction or series of transactions having substantially the same effect as any of the foregoing; or
 - (vi) such other transaction or series of transactions determined by the directors of the Company in their sole discretion to contemplate a Fundamental Transaction;
- (e) **“Initial Issuance Date”** means the date upon which the Series A Preferred Shares are initially issued by the Company.
- (f) **“Liquidation Event”** means, whether in a single transaction or series of transactions, the voluntary or involuntary liquidation, dissolution or winding up of the Company or such Subsidiaries the assets of which constitute all or

substantially all of the assets of the business of the Company and its Subsidiaries, taken as a whole.

- (g) “**Parent Entity**” of a Person means an entity that, directly or indirectly, controls the applicable Person.
- (h) “**Person**” means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.
- (i) “**Required Holders**” means the holders of at least 50.1% of the outstanding Series A Preferred Shares.
- (j) “**Securities**” means, collectively, the Series A Preferred Shares and the Common Shares issuable upon conversion of the Series A Preferred Shares.
- (k) “**Subsidiary**” means any Person in which the Company, directly or indirectly, (i) owns a majority of the outstanding capital shares or holds a majority of equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person.
- (l) “**Successor Entity**” means the Person (and, if applicable, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (and, if applicable, the Parent Entity) with which such Fundamental Transaction shall have been entered into.
- (m) “**Transaction Documents**” means these terms and each of the other agreements and instruments entered into or delivered by the Company and the Holders in connection with the Fundamental Transaction contemplated thereby, all as may be amended from time to time in accordance with the terms hereof or thereof.

33. TERMS OF SERIES 1, CLASS C PREFERRED SHARES

1. Designation and Number of Shares

There shall hereby be created and established a series of Class C preferred shares of Montfort Capital Corp. (the “**Company**”) designated as “Series 1, Class C Preferred Shares” (the “**Series 1 Shares**”). The authorized number of Series 1 Shares shall be unlimited. Capitalized terms not defined herein shall have the meaning as set forth in Section 2 below. No dividends shall accrue or be payable with respect to the Series 1 Shares except as set forth in Section 4 below.

2. Definitions

In these Series 1 Share Provisions:

“**Accrued Amount**” means, at any date, an amount equal to all declared and unpaid dividends that have not been extinguished in respect of completed Quarterly Floating Rate Period preceding the date fixed for redemption.

“**Board of Directors**” means the board of directors of the Company.

“**Business Day**” means a day other than a Saturday, a Sunday or any other day which is a statutory or civic holiday in Vancouver, British Columbia.

“**Coattail Exchange Rate**” is equal to:

A / B where:

A equals: the price per Coattail Share calculated as the five-day volume weighted average price of the Coattail Share as traded on the TSX Venture Exchange as at the date of the Class Offer; and

B equals: the deemed price per Bid Share payable pursuant to the Class Offer.

“Common Shares” means the Common Shares of the Company, and any other securities into which those shares may be changed or for which those shares may be exchanged (whether or not the Company is the issuer of such other securities) or any other consideration which may be received by the holders of such shares pursuant to a capital reorganization, merger or amalgamation of the Company or comparable transaction affecting the Common Shares of the Company.

“Dividend Payment Date” means, for each Quarterly Floating Rate Period, the first day following such Quarterly Floating Rate Period, being the first day of the months of January, April, July and October in each year, and for the First Dividend Period, October 1, 2023.

“First Dividend Period” means the period from and including the Issue Date up to September 30, 2023.

“Floating Quarterly Dividend Rate” means, the annual rate of interest (express as a percentage rounded to the nearest one hundred-thousandth of one percent (with 0.00005% being rounded up)) equal to the sum of the Government of Canada Yield on the applicable Floating Rate Calculation Date and 5.00%; provided that, if:

- (i) the Government of Canada Yield on the Floating Rate Calculation Date is less than 1.00%, the Company will deem the Government of Canada Yield to be 1.00% for the purposes of calculating the Floating Quarterly Dividend Rate on each Floating Rate Calculation Date; and
- (ii) the Government of Canada Yield on the Floating Rate Calculation Date exceeds 7.00%, the Company will deem the Government of Canada Yield to be 7.00% for the purposes of calculating the Floating Quarterly Dividend Rate on each Floating Rate Calculation Date;

“Floating Rate Calculation Date” means, for any Quarterly Floating Rate Period, the last day of the prior Quarter to the Quarterly Floating Rate Period, and in the case of the First Dividend Period, June 30, 2023.

“Fundamental Transaction” means:

- (a) the purchase or acquisition by any Person, or group of Persons acting jointly or in concert, of voting control or direction of an aggregate of 50% or more of the outstanding Common Shares, or securities convertible into or carrying the right to acquire Common Shares, other than as a result of the conversion of the Series 1 Shares hereunder;
- (b) the completion by the Company of an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation or entity which requires approval of the shareholders of the Company pursuant to its constating documents, such that Persons would beneficially own, or exercise

control or direction over, voting securities of the Company carrying the right to cast more than 50% of the votes attaching to all voting securities, and immediately following such an event, the directors of the Company immediately prior to such event do not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity immediately following such event;

- (c) the election at a meeting of the Company's shareholders of that number of Persons which would represent a majority of the board of directors of the Company, as directors of the Company who are not included as management nominees for election as directors proposed to the Company's shareholders by the Company;
- (d) the sale, lease or exchange of all or substantially all of the property of the Company other than in the ordinary course of business;
- (e) such other transaction or series of transactions having substantially the same effect as any of the foregoing; or

such other transaction or series of transactions determined by the directors of the Company in their sole discretion to contemplate a Fundamental Transaction.

"Government of Canada Yield" on any date means the benchmark yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of two (2) years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on such date on the Bank of Canada's website under "Selected Bond Yields" at <https://www.bankofcanada.ca/rates/interest-rates/canadian-bonds/> or any other location on the Bank of Canada's website that provides benchmark bond yields for Canadian dollar denominated non-callable Government of Canada bonds.

"Ineligible Person" means any person whose address is in, or whom the Company or the Transfer Agent has reason to believe is a resident of, any jurisdiction outside Canada where the issue or delivery to that person of Series 1 Shares would require the Company to take any action to comply with insurance, securities or analogous laws of that jurisdiction.

"Issue Date" means the date any of the Series 1 Shares are first issued.

"Parent Entity" of a Person means any entity that, directly or indirectly, controls the applicable Person.

"Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.

"Quarter" means a three-month period ending the day prior to a Dividend Payment Date.

"Quarterly Commencement Date" means the 1st day of January, April, July and October in each year, commencing July 1, 2023.

"Quarterly Floating Rate Period" means the period from and including a Quarterly Commencement Date to but excluding the next succeeding Quarterly Commencement Date.

“Redemption Date” has the meaning attributed to it in section 4(4).

“Redemption Notice” has the meaning attributed to it in section 4(4).

“Redemption Price” has the meaning attributed to it in section 4(2).

“Required Holders” means the holders of at least 50.1% of the outstanding Series 1 Share.

“Series 1 Share” means the non-cumulative rate reset Series 1, Class C Preferred Shares of the Company.

“Successor Entity” means the Person (and, if applicable, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (and, if applicable the, the Parent Entity) with which such Fundamental Transaction shall have been entered into.

“Tax Act” means the Income Tax Act (Canada).

“Transaction Documents” means these terms and each of the other agreements and instruments entered into or delivered by the Company and the holders of Series 1 Shares in connection with the Fundamental Transaction contemplated thereby, all as may be amended from time to time accordance with the terms hereof and thereof.

“Transfer Agent” means Computershare Investor Services Inc., a trust company existing under the laws of Canada, or such other person as from time to time may be the registrar and transfer agent for the Series 1 Share.

“Voting Rights” has the meaning attributed to it in section 9.

3. Consideration for Issue

The consideration for the issue of each Series 1 Share shall be \$25.00 or its equivalent in property or past services.

4. Dividends

(1) Payment of Dividends.

- (a) For the First Dividend Period, the holders of the Series 1 Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, a non-cumulative preferential cash dividend, payable on the Dividend Payment Date applicable for the First Dividend Period, in the amount per share determined by multiplying the Floating Quarterly Dividend Rate as calculated on the applicable Floating Rate Calculation Date by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in the First Dividend Period and the denominator of which is 365 or 366, depending on the actual number of days in the applicable year.
- (b) During each Quarterly Floating Rate Period following the First Dividend Period, the holders of the Series 1 Shares shall be entitled to receive and the Corporation shall pay, as and when declared by the board of directors of the Corporation, out of the moneys of the Corporation properly applicable to the payment of dividends, non-cumulative preferential cash dividends, payable on each Dividend Payment Date, in the amount per share determined by multiplying the Floating Quarterly

Dividend Rate as calculated on the applicable Floating Rate Calculation Date by \$25.00 and multiplying that product by a fraction, the numerator of which is the actual number of days in such Quarterly Floating Rate Period and the denominator of which is 365 or 366, depending on the actual number of days in the applicable year.

- (c) On each Floating Rate Calculation Date, the Corporation shall determine the applicable Floating Quarterly Dividend Rate and such determination shall be made for the ensuing Quarterly Floating Rate Period. Each such determination shall, in the absence of manifest error, be final and binding upon the Corporation and upon all holders of Series 1 Shares. The Corporation shall, on each Floating Rate Calculation Date, give written notice of the Floating Quarterly Dividend Rate for the ensuing Quarterly Floating Rate Period to the registered holders of the then outstanding Series 1 Shares. Each such notice shall be given by electronic transmission, by facsimile transmission or by ordinary unregistered first class prepaid mail addressed to each holder of Series 1 Shares at the last address of such holder as it appears on the books of the Corporation or, in the event of the address of any holder not so appearing, to the address of such holder last known to the Corporation.
- (d) The holders of the Series 1 Shares shall not be entitled to any dividend other than as specified in this Section 4.

(2) Method of Payment.

Dividends on the Series 1 Shares will be paid by electronic funds transfer or by cheque of the Company, in lawful money of Canada payable at par at any branch in Canada of a chartered bank or trust company or in such other manner, not contrary to applicable law, as the Company shall determine. Dividends on the Series 1 Shares will be in the amount of the applicable dividend, rounded to the nearest whole cent (\$0.01), less any tax required to be deducted and withheld by the Company. The delivery or mailing by ordinary unregistered first class prepaid mail of any cheque to a holder of Series 1 Shares to the address of the holder recorded in the securities register of the Company or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder, or the electronic transfer of funds to an account specified in section 16(5)(c) on or before the date on which the dividend is paid shall be deemed to be payment and will satisfy and discharge all liabilities for dividends payable on that Dividend Payment Date to the extent of the amount represented by the cheque or electronic transfer of funds (plus any tax required to be deducted and withheld from the payment) unless such cheque is not paid on due presentation. A dividend represented by a cheque which has not been duly presented for payment within six years after it was issued or that otherwise remains unclaimed for a period of six years from the date on which it was declared to be payable and set apart for payment will be forfeited to the Company. The Company may pay dividends in any other manner as it may agree with any particular holder.

(3) Dividends Non-Cumulative.

If the Board of Directors does not declare the dividends, or any part thereof, on the Series 1 Shares on or before the Dividend Payment Date for a particular Quarterly Floating Rate Period, the entitlement of the holders of the Series 1 Shares to such dividends, or to any part thereof, for the particular Quarterly Floating Rate Period will be forever extinguished.

5. Redemption

(1) Redemption After Issue Date.

Any time after the Issue Date, the Company may redeem at any time all or from time to time any part of the Series 1 Shares then outstanding without the consent of the holders. The Company may effect the redemption, the details of which are to be stipulated in the Redemption Notice as described in subsection (3) below, by the payment of an amount in cash for each Series 1 Share so redeemed equal to \$25.00 (the “**Redemption Price**”) in each case, together with the Accrued Amount up to but excluding the Redemption Date (less any tax required to be deducted and withheld from the payment).

(2) Partial Redemptions.

In the case of partial redemptions, Series 1 Shares to be redeemed will be selected on a pro rata (disregarding fractions) basis, or in any other manner that the Board of Directors may determine subject to approval of the TSX Venture Exchange if the Series 1 Shares are at such time listed on the TSX Venture Exchange, if such approval is required by the TSX Venture Exchange.

(3) Notice of Redemption.

The Company will give to each holder of Series 1 Shares to be redeemed written notice of the intention of the Company to redeem such shares (the “**Redemption Notice**”). The Redemption Notice must be given at least 30 days but not more than 60 days before the Redemption Date. The Redemption Notice must set out the number of Series 1 Shares held by the person to whom it is addressed which are to be redeemed, the Redemption Price and the Accrued Amount and the date on which the redemption is to occur (the “**Redemption Date**”). In addition to the Redemption Notice, if the Company proposes to redeem less than all of the Series 1 Shares then outstanding, the Company will publish a single notice, in the manner in which it publishes dividend notices, of its intention to complete a partial redemption of such shares and the manner in which shares will be selected for such redemption.

(4) Method of Payment.

The Company will either pay or cause to be paid to the holders of the Series 1 Shares to be redeemed, in respect of each Series 1 Shares to be redeemed, the Redemption Price and the Accrued Amount (less any tax required to be deducted and withheld from the payment) on presentation and surrender at any principal transfer office of the Transfer Agent, or at any other place or places within Canada designated in the Redemption Notice, of the certificate or certificates for the Series 1 Shares so called for redemption, together with such other documents as may be reasonably required to effect a transfer of Series 1 Share. Payment by cash will be made by electronic funds transfer or by cheque payable at par at any branch in Canada of a chartered bank or trust company. If only a part of the Series 1 Shares represented by any certificate is redeemed, a new certificate for the balance will be issued at the expense of the Company. Subject to subsection (5) below, from and after the date specified in any Redemption Notice, the Series 1 Shares called for redemption will be deemed to be redeemed and the holders of those Series 1 Shares will cease to be entitled to dividends and will not be entitled to exercise any of the rights of shareholders in respect of those Series 1 Shares unless payment of the Redemption Price and the Accrued Amount is not duly made by the Company on presentation and surrender of the certificate or certificates representing the Series 1 Share.

(5) Deposit of Redemption Price and Accrued Amount.

At any time after the Redemption Notice is given, the Company will have the right to deposit the Redemption Price and the Accrued Amount of any or all Series 1 Shares called for redemption with any chartered bank or trust company in Canada named in the Redemption Notice, including the Transfer Agent, to the credit of a special account for the respective holders of those Series 1 Share, to be paid on surrender to the Company or that chartered bank or trust company of the certificate or certificates representing those Series 1 Share. Any such deposit will constitute payment and satisfaction of the Redemption Price and the Accrued Amount of the Series 1 Shares for which the deposit is made and the rights of the holders of those shares will be limited to receiving the proportion (less any tax required to be deducted and withheld by the person holding such deposit) of the Redemption Price and the Accrued Amount so deposited applicable to those shares, without interest, on presentation and surrender of the certificate or certificates representing the Series 1 Shares being redeemed. The Company will be entitled to any interest on such deposit.

6. **Amendments to Series 1 Share**

The Company may, from time to time, with such approval as may then be required by law, with any such approval of holders of the Series 1 Shares given as specified in section 15 and with any required approvals of any stock exchanges on which the Series 1 Shares may be listed, delete, amend or vary any of these Series 1 Shares Provisions.

7. **Purchase for Cancellation**

The Company may purchase for cancellation at any time all or from time to time any part of the Series 1 Shares then outstanding in the open market or by private contract or tender at any price.

8. **Ranking**

(1) Return of Capital.

Except with respect to any class of shares of the Company ranking senior to the Class C Preferred shares (collectively, the “**Senior Shares**”) and any other series of Class C Preferred shares of pari passu rank to the Series 1 Shares (collectively, the “**Parity Shares**”) in respect of the preferences as to dividends and return of capital of the Company, all shares in the capital of the Company shall be junior in rank to the Series 1 Shares with respect to the preference as to dividends and return of capital (collectively, the “**Junior Shares**”).

(2) Liquidation, Dissolution and Winding-Up of the Company

In respect of distributions and payments upon the liquidation, dissolution and winding up of the Company, the Series 1 Shares shall rank subordinate to the Senior Shares but senior to the Junior Shares. The rights of all Junior Shares of the Company shall be subject to the rights, powers, preferences and privileges of Senior Shares and the Series 1 Shares set forth herein and in the articles of the Company. For the avoidance of doubt, in no circumstance will a Series 1 Shares have any rights subordinate or otherwise inferior to the rights of Parity Shares or Common Shares (as defined below).

9. Voting Rights

The holders of the Series 1 Shares shall have the right to receive notice of and attend any meeting of shareholders of the Company. However, except as hereinafter referred to or as required by law or for meetings of the holders of the Class C Preferred shares as a class and meetings of the holders of Series 1 Shares as a series, holders of Series 1 Shares will not be entitled as such to vote at any meeting of shareholders of the Company unless and until the first time at which the Board of Directors has not declared the dividend in full on the Series 1 Shares in any Quarterly Floating Rate Period. In that event, the holders of Series 1 Shares will be entitled to receive notice of and to attend only meetings of shareholders of the Company at which directors are to be elected and will be entitled to one vote for each Series 1 Shares held at such meetings, but only in respect of the election of directors, voting together with all other shareholders of the Company who are entitled to vote at such meetings, and the holders of Series 1 Shares will not be entitled to vote in respect of any other business conducted at such meetings (the **"Voting Rights"**). The Voting Rights of the holders of the Series 1 Shares will cease on payment by the Company of the whole amount of any dividends on the Series 1 Shares to which the holders are entitled under these Series 1 Shares Provisions after the time the Voting Rights first arose until such time as the Company may again fail to declare the dividend in full on the Series 1 Shares in any Dividend Period, in which event the Voting Rights will become effective again and so on from time to time.

10. Approval of Holders of Series 1 Share

Any approval given by the holders of Series 1 Shares will be deemed to have been sufficiently given if given by a resolution signed by all holders of the Series 1 Shares outstanding or by a resolution passed at a meeting of the holders of Series 1 Shares held on not less than 21 days' and not more than 60 days' notice at which the holders of at least 5% of the outstanding Series 1 Shares are present or are represented by proxy and carried by the affirmative vote of not less than the 50.1% or 66^{2/3}% of the votes cast by the holders who voted in respect of that resolution, such affirmative vote threshold to depend on the requisite approval under applicable laws or the articles of the Company for the resolution in question, at the meeting duly called for that purpose. If at the meeting the holders of at least 5% of the outstanding Series 1 Shares are not present or represented by proxy within 30 minutes after the time appointed for the meeting, the meeting will be adjourned to such date, not less than 10 days afterwards, and to such time and place as the chairman of the meeting may designate, and no notice need be given of the adjourned meeting. At the adjourned meeting, the holders of Series 1 Shares present or represented by proxy would form the necessary quorum and may transact the business for which the meeting was originally called and a resolution passed at the adjourned meeting by the affirmative vote of not less than 50.1% or 66^{2/3}% of the votes cast at the meeting, as the case may be depending on the affirmative vote requirements under applicable laws and the articles of the Company, will constitute the approval of the holders of Series 1 Share. On every poll taken at any meeting or adjourned meeting, every holder of Series 1 Shares will be entitled to one vote in respect of each Series 1 Share held. Subject to the foregoing, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct of any such meeting will be those from time to time as may be prescribed in the by-laws of the Company with respect to meetings of shareholders.

11. Tax Election

The Company shall elect, in the manner and within the time provided for under subsection 191.2(1) of the Tax Act or any successor or replacement provision of similar

effect, and take all other necessary action under the Tax Act, to pay or cause to be paid tax under Part VI.1 of the Tax Act at a rate such that the holders of the Series 1 Shares will not be required to pay tax on dividends received (or deemed to be received) on the Series 1 Shares under Part IV.1 of the Tax Act or any successor or replacement provision of similar effect.

12. Notices

(1) Notice to the Company.

Subject to applicable law, any notice, request or other communication to be given to the Company by a holder of Series 1 Shares must be in writing and will be valid and effective if given by mail (postage prepaid) or by electronic communication or by delivery to the registered office of the Company and addressed to the attention of the Secretary or to the attention of such person specified by the Company. Any such notice, request or other communication, if given by mail, electronic communication or delivery, will be deemed to have been given and received only on actual receipt by the Company.

(2) Presentation and Surrender of Certificates.

Any presentation and surrender by a holder of Series 1 Shares to the Company or the Transfer Agent of certificates representing Series 1 Shares in connection with the redemption or conversion of Series 1 Shares must be made by registered mail (postage prepaid) or by delivery to the registered office of the Company or to such office of the Transfer Agent as may be specified by the Company, in each case addressed to the attention of the Secretary of the Company or to the attention of such person specified by the Company. Any such presentation and surrender of certificates will be deemed to have been made and to be effective only on actual receipt by the Company or the Transfer Agent, as the case may be. Any such presentation and surrender of certificates made by registered mail will be at the sole risk of the holder mailing the same.

(3) Notice to Holders of Series 1 Share.

Subject to applicable law, any notice, request or other communication to be given to a holder of Series 1 Shares by or on behalf of the Company must be in writing and will be valid and effective if given by electronic communication or by ordinary unregistered first class mail (postage prepaid) or delivery to the address of the holder recorded in the securities register of the Company or, in the event of the address of any such holder not being so recorded, then at the last known address of such holder. Any such notice, request or other communication, if given by mail, will be deemed to have been given and received on the fifth Business Day following the date of mailing and, if given by electronic communication or by delivery, will be deemed to have been given and received on the date of electronic communication or delivery. Accidental failure or omission to give any notice, request or other communication to one or more holders of Series 1 Share, or any defect in such notice, will not invalidate or otherwise alter or affect any action or proceeding to be taken by the Company pursuant to that notice, request or other communication.

13. Adjustments

(1) Rights Upon Fundamental Transactions.

The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under these terms in accordance with the provisions of this Section 13(1) pursuant to written

agreements in form and substance satisfactory to the Required Holders and approved by the Required Holders prior to such Fundamental Transaction, including agreements to deliver to each holder of Series 1 Shares in exchange for such Series 1 Shares a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to these terms and having similar ranking to the Series 1 Share, and reasonably satisfactory to the Required Holders. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of these terms and the other Transaction Documents referring to the "Company" shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under these terms and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein and therein.

(2) Coattail Provisions.

For so long as the Company is a reporting issuer in a province of Canada and the Series 1 Shares are listed on the TSX Venture Exchange, if, after the initial Issue Date, a "take-over bid", as defined in National Instrument 62-104 – *Take-over Bids and Issuer Bids*, is made for outstanding Common Shares, other classes of preferred shares or other series of Class C Preferred shares (a "**Class Offer**") and the Class Offer does not include a concurrent identical take-over bid for the Series 1 Shares (the "**Coattail Shares**"), then the Company shall by press release provide written notice to the holders of the Coattail Shares that the Class Offer has been made and of the right of such holders to convert all or a part of their Coattail Shares into the Common Shares or other series or class of Class C Preferred shares that are subject to the Class Offer (the "**Bid Shares**") and tender such Bid Shares to the Class Offer. Such Coattail Shares may, in such circumstances, be converted at any time prior to the business day that is five business days prior to the expiry of the Class Offer (the "**Conversion End Date**") by delivering a notice to the Company and surrendering such Series 1 Shares by 5:00 p.m. (Vancouver time) on the Conversion End Date. Any such Coattail Shares so delivered shall be converted into Bid Shares and tendered on behalf of the Holder to the Class Offer. In connection with such conversion and tender by any such Holder, the Holder shall complete and execute any and all such documentation as the Company shall require or consider necessary to give effect to this provision. For each Coattail Share so converted, a Holder will receive a number of Bid Shares calculated based on the Coattail Exchange Rate as of the Conversion End Date, provided that, to the extent that such Bid Shares are not acquired pursuant to the Class Offer, such Bid Shares shall be reconverted into that number of Coattail Shares held by the Holder prior to the conversion. Fractional Bid Shares will not be issued and the number of Bid Shares issuable under this provision to a Holder will be rounded down to the nearest whole Bid Share.

For the purposes of this Section 13(2), an "identical take-over bid" for Series 1 Shares shall mean a take-over bid that has the same material terms and conditions as those attached to the Class Offer, including, but not limited to, duration of the offer period, special conditions to the take-over bid, and percentage of outstanding securities to be taken up exclusive of securities owned immediately before the bid by the offeror, or associates or affiliates of the offeror. Notwithstanding the foregoing, an identical take-over bid for the Series 1 Shares may have an offer price different from the Bid Shares to reflect the unique special rights and restrictions attached to the Series 1 Shares.

14. Return of Unclaimed Funds to Company

The Company shall have the right, with respect to any funds deposited by the Company to any chartered bank or trust company in respect of amounts due to holders of Series 1 Share, on or after the sixth anniversary date of the deposit of such funds to any chartered bank or trust company, to require that such chartered bank or trust company return to the Company any funds which remain unclaimed by holders of the Series 1 Shares and such unclaimed funds may be used by the Company for its own purposes.

15. Shareholder Matters; Amendment

(1) Shareholder Matters.

Any shareholder action, approval or consent required, desired or otherwise sought by the Company pursuant to the applicable laws, the constating documents of the Company, the terms hereof or otherwise with respect to the issuance of Series 1 Shares may be effected by written consent of the Company's shareholders or at a duly called meeting of the Company's shareholders, all in accordance with applicable laws.

(2) Amendment.

The provisions attaching to the Series 1 Shares may be deleted, varied, modified, amended or amplified by articles of amendment with such approval as may then be required by the articles of the Company and the *Business Corporations Act* (British Columbia), with any such approval to be given in accordance with Section 10 hereof and with any required approvals of any stock exchange on which the Series 1 Shares may be listed.

16. Interpretation

(1) Ranking of Shares.

The expressions "superior to", "on a parity with" and "ranking junior to" and similar expressions refer to the order of priority only in payment of dividends or in the distribution of assets in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company for the purpose of winding-up its affairs.

(2) Holder.

References to a "holder" in relation to Series 1 Shares means a registered holder of those shares.

(3) References to Statutes.

Reference to any statute is to that statute as in force from time to time, including any regulations, rules, policy statements or guidelines made under that statute, and includes any statute which may be enacted in substitution of that statute.

(4) Other Payment Matters.

(a) If any date on which any dividend on the Series 1 Shares is payable under these Series 1 Shares Provisions is not a Business Day, then the dividend will be payable on or before the immediately succeeding day that is a Business Day. If any date on or by which any other action is required to be taken by the Company

under these Series 1 Share Provisions is not a Business Day, then such other action will be required to be taken on or by the next day that is a Business Day.

- (b) In the event of the non-receipt of a cheque by a holder of Series 1 Shares entitled to the cheque, or the loss or destruction of the cheque, the Company, on being furnished with reasonable evidence of non-receipt, loss or destruction, and an indemnity reasonably satisfactory to the Company, will issue to the holder a replacement cheque for the amount of the original cheque.
- (c) If a payment is made by way of a wire or electronic transfer of funds, the Company shall be responsible for any applicable charges or fees relating to the making of such transfer. As soon as practicable following the determination by the Company that a payment is to be made by way of a wire or electronic transfer of funds, the Company shall provide a notice to the applicable holders of Series 1 Shares at their respective addresses appearing on the books of the Company. Such notice shall request that each applicable holder of Series 1 Shares provide the particulars of an account of such holder with a chartered bank in Canada to which the wire or electronic transfer of funds shall be directed. If the Company does not receive account particulars from a holder of Series 1 Shares prior to the date such payment is to be made, the Company shall deposit the funds otherwise payable to such holder in a special account or accounts in trust for such holder. The making of a payment by way of a wire or electronic transfer of funds or the deposit by the Company of funds otherwise payable to a holder in a special account or accounts in trust for such holder shall be deemed to constitute payment by the Company on the date thereof and shall satisfy and discharge all liabilities of the Company for such payment to the extent of the amount represented by such transfer or deposit.
- (d) The Company will be entitled to deduct or withhold from any amount payable to a holder of Series 1 Shares under these Series 1 Share Provisions any amount required by law to be deducted or withheld from that payment. Holders of Series 1 Shares shall be responsible for all withholding taxes under Part XIII of the Tax Act in respect of any payment, distribution, issuance or delivery made or credited to them pursuant to these share provisions and shall indemnify and hold harmless the Company on an after-tax basis for any such taxes imposed on any payment, distribution, issuance or delivery made or credited to them pursuant to these Series 1 Share Provisions.

(5) Currency Conversion.

If it is necessary to convert any other amount into Canadian dollars, the Board of Directors will select an appropriate method and rate of exchange to convert any non-Canadian currency into Canadian dollars.