



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS OF MKANGO RESOURCES LTD.**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of Mkango Resources Ltd. (the “**Corporation**”) to be held at the offices of Fasken Martineau DuMoulin LLP at 2400-333 Bay St, Toronto, Ontario, Canada at the hour of 9:00 a.m. (Toronto time) on October 2, 2018 for the following purposes:

1. to receive the audited financial statements of the Corporation for the year ended December 31, 2017, including the auditors’ reports thereon;
2. to consider and, if deemed appropriate, to fix the number of directors of the Corporation to be elected at the Meeting at seven;
3. to elect the directors of the Corporation who will serve until the end of the next annual general meeting or until their successors are appointed;
4. to appoint the auditors of the Corporation and to authorize the directors to fix their remuneration;
5. to consider and, if deemed appropriate, to pass an ordinary resolution to approve the stock option plan of the Corporation;
6. to consider and, if deemed appropriate, to approve, with or without variation, a special resolution to approve the making of an application to the Registrar of Corporations under the *Business Corporations Act* (Alberta) (the “**ABCA**”) and to the Registrar of Companies under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) to continue the Corporation from the jurisdiction of Alberta pursuant to the ABCA, and to continue the Corporation into the jurisdiction of British Columbia pursuant to the BCBCA; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Specific details of the matters to be put before the Meeting are set forth in the accompanying management information circular dated August 29, 2018 (the “**Circular**”). Also enclosed is a form of proxy for the Meeting.

The record date (the “**Record Date**”) for determining those shareholders entitled to receive notice of and to vote at the Meeting is August 20, 2018. Only persons registered as shareholders on the books of the Corporation as of the close of business on the Record Date (“**Registered Shareholders**”) are entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, and no person becoming a Registered Shareholder after the Record Date shall be entitled to receive notice of and to vote at the Meeting or any adjournment thereof. The failure of any Shareholder to receive notice of the Meeting does not deprive the Shareholder of the right to vote at the Meeting.

Registered Shareholders may vote in person at the Meeting or any adjournment thereof, or they may appoint another person, who need not be a Shareholder, as their proxy to attend and vote in their place. Registered Shareholders who are unable to attend the meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the proxy must be received by the Corporation’s transfer agent, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Attention: Proxy Department or you may vote by telephone 1-866-732-8683 (toll free within Canada and USA) or 1-416-263-9524 (outside North America), or by facsimile to 1-866-249-7775 or 1-416-263-9524 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. Your proxy or voting instructions must be received no later than 7:00 a.m. (Calgary time) on September 28, 2018 (or such other date that is two business days immediately preceding the date of the Meeting as it may be adjourned or postponed from time to time). Alternatively, the proxy form may be hand-delivered to the registration table on the day of the Meeting prior to the commencement of the Meeting.

Dated this 29th day of August, 2018.

By Order of the Board of Directors

(signed) “Derek Linfield”

Chairman



MKANGO RESOURCES LTD.
706, 27 Avenue N.W.
Calgary, AB T2M 2J3

MANAGEMENT PROXY CIRCULAR

Dated August 29, 2018

This Information Circular is furnished by the management of Mkango Resources Ltd. (the “**Corporation**”) to the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation in connection with the solicitation of proxies to be voted at the annual general and special meeting of the Shareholders (the “**Meeting**”) to be held at the offices of Fasken Martineau DuMoulin LLP at 2400-333 Bay St, Toronto, Ontario, Canada at the hour of 9:00 a.m. (Toronto time) on October 2, 2018 and at any adjournment thereof, for the purposes set forth in the notice of meeting enclosed with this Information Circular (the “**Notice of Meeting**”).

GENERAL PROXY INFORMATION

Solicitation of Proxies

Management of the Corporation is soliciting proxies from Shareholders for the Meeting. The costs incurred in the preparation and mailing of the enclosed form of proxy (the “**Proxy Form**”), Notice of Meeting and this Circular will be borne by the Corporation. In addition to solicitation by mail, proxies may be solicited by personal interviews, telephone or other means of communication and by directors, officers and employees of the Corporation, who will not be specifically remunerated therefore.

The persons named in the Proxy Form are directors and/or senior officers of the Corporation (the “**Management Designees**”). **A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the Management Designees in the Proxy Form to represent the Shareholder at the Meeting and may exercise that right either by inserting the name of the other person in the blank space provided in the Proxy Form or by completing another form of proxy.**

The Corporation will not send its proxy-related meeting materials directly to non-objecting beneficial owners under National Instrument 54-101 - *Communication With Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). The Corporation intends to pay for proximate intermediaries to forward the proxy-related materials and voting instruction form to objecting beneficial owners under NI 54-101.

Proxy Voting

A proxy will not be valid unless it is deposited with our transfer agent Computershare Investor Services Inc. (“**Computershare**”), (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone 1-866-732-8683 (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com. All instructions are listed in the enclosed Proxy Form. Your proxy or voting instructions must be received in each case no later than 9:00am (Mountain time) on September 28, 2018 or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the beginning of any adjournment of the Meeting.

The website may be used to appoint a proxy holder to attend and vote on a Shareholder’s behalf at the Meeting and to convey a Shareholder’s voting instructions. Please note that if a Shareholder appoints a proxy holder and submits

their voting instructions and subsequently wishes to change their appointment, a Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above.

REVOCABILITY OF PROXIES

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the registered Shareholder's authorized attorney in writing, or, if the registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered Shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the Proxy Form will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy Form confers discretionary authority on persons named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy Form, the persons named in the Proxy Form will vote the Common Shares represented by the Proxy Form for the approval of such matter.

At the time of printing of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed Proxy Form to vote the Common Shares represented thereby in accordance with their best judgment on such matters.

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders who choose to submit a proxy may do so by completing, dating and signing the enclosed Proxy Form and returning it to the Corporation's transfer agent, (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, the Shareholders may vote by telephone 1-866-732-8683 (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (outside North America), or by internet using the 15 digit control number located at the bottom of the proxy at www.investorvote.com.

The Proxy Form, voting instructions or internet appointment of a proxy holder must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof at which the Proxy Form is to be used. Failure to complete or deposit a Proxy Form properly may result in its invalidation. The time limit for the deposit of Proxy Forms may be waived by the board of directors of the Corporation (the "Board") at its discretion without notice.

ADVICE TO BENEFICIAL HOLDERS OF SECURITIES

The information set forth in this section is of significant importance to many Shareholders of the Corporation as some Shareholders do not hold their Common Shares in their own names (“Beneficial Shareholders”). Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Beneficial Shareholder’s name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Beneficial Shareholder’s broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. are held. Therefore, Beneficial Shareholders cannot be recognized at the Meeting for the purposes of voting the Common Shares in person or by way of proxy except as set forth below. Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate persons.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of meetings of Shareholders. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker often is identical to the Proxy Form provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically provides a scannable voting request form or applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting request forms or proxy forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number to vote their shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting of shareholders. A Beneficial Shareholder receiving a voting instruction or proxy from Broadridge or another agent cannot use that proxy to vote Common Shares directly at the Meeting as the completed instruction or proxy must be returned as directed by Broadridge or another agent well in advance of the Meeting in order to have the Common Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of the Beneficial Shareholder’s broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder should enter their own names in the blank spaces on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent) well in advance of the Meeting.

If you are a Beneficial Shareholder and wish to vote in person at the Meeting, please contact your broker or agent well in advance of the Meeting to determine how you can do so.

VOTING DIRECTIONS FOR DEPOSITARY INTERESTS IN CREST

The following instructions are for non-registered beneficial holders who hold their Common Shares through the depository (the “**Depository Interests**”), Computershare Investor Services PLC (the “**Depository**”), as at the Record Date (as defined below). Holders of Depository Interests can direct the Depository how to vote their shares or abstain from voting by completing, signing and returning the enclosed form of instruction (the “**Form of Instruction**”). To be valid, the Form of Instruction must be filled out, correctly signed (exactly as the Shareholder’s name appears on the Form of Instruction), and returned by mail using the enclosed envelope, or by courier or hand delivery to The Office of the Depository, Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol, UK BS99 6ZY by 09:00 a.m. (GMT) on September 27, 2018 (or 72 hours prior to any reconvened Meeting

in the event of an adjournment of the Meeting). The Depositary will then vote or abstain from voting on the Shareholder's behalf at the Meeting, as instructed in the Form of Instruction.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares. The preferred shares are issuable in one or more series. Only holders of the Common Shares are entitled to vote such Common Shares at the Meeting, on the basis of one vote for each Common Share. As of August 20, 2018, 108,650,055 Common Shares were issued and outstanding. The Board has fixed August 20, 2018 as the record date (the "**Record Date**") for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment thereof, except to the extent that such holder transfers ownership of the Common Shares after the Record Date, in which case the transferee shall be entitled to vote such Common Shares upon establishing ownership and requesting not later than ten days before the Meeting, to be included in the list of Shareholders entitled to vote at the Meeting.

To the knowledge of the directors or executive officers of the Corporation, no person beneficially owns, directly or indirectly, controls or directs, directly or indirectly, voting shares carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, as at the date hereof, except as follows:

Name	Type of Ownership	Approximate Number of Common Shares Owned, Controlled or Directed	Approximate Percentage of Common Shares Owned
Talaxis Limited ⁽²⁾	Registered holder	14,285,715	13.1%
Resources Early Stage Opportunity Company Ltd.	Registered holder	13,102,167	12.06%

VOTES NECESSARY TO PASS RESOLUTIONS AT THE MEETING

A simple majority of affirmative votes cast at the Meeting by the Shareholders is required to pass the resolutions electing the directors, reappointing the incumbent auditors, approving the Corporation's stock option plan (the "**Option Plan**") as required by the policies of the TSX Venture Exchange ("**TSXV**"). A two-thirds majority of affirmative votes cast at the Meeting by the Shareholders is required to pass the Continuance Resolution (as defined below). If there are more nominees for election as directors or appointment of the Corporation's auditors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

QUORUM

Under the Corporation's by-laws, a quorum for the transaction of business at any meeting of shareholders shall be at least two persons present in person or represented by proxy, holding or representing not less than 5% of the Common Shares entitled to be voted at the Meeting. Under the Corporation's by-laws and the *Business Corporations Act* (Alberta) ("**ABCA**"), if a quorum is present at the opening of the Meeting, the Shareholders present may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the Shareholders present may adjourn the Meeting to a fixed time and place but may not transact any other business.

PARTICULARS OF THE MATTERS TO BE ACTED ON AT THE MEETING

At the Meeting, the Shareholders will (i) receive the audited financial statements of the Corporation for the year ended December 31, 2017, including the auditors' reports thereon (the "**Financial Statements**"); and (ii) will be asked to consider and, if deemed appropriate:

1. to fix the number of directors of the Corporation to be elected at the Meeting at seven;
2. to elect the directors of the Corporation who will serve until the end of the next annual general meeting or until their successors are appointed;
3. to appoint the auditors of the Corporation and to authorize the directors to fix their remuneration;
4. to pass an ordinary resolution, the full text of which is set forth herein, to approve the Option Plan;
5. to approve, with or without variation, a special resolution (the "**Continuance Resolution**"), the full text of which is set forth herein, to approve the making of an application to the Registrar of Corporations under the ABCA (the "**AB Registrar**") and to the Registrar of Companies (the "**BC Registrar**") under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") to continue the Corporation from the jurisdiction of Alberta pursuant to the ABCA, and to continue the Corporation into the jurisdiction of British Columbia pursuant to the BCBCA, as more particularly described herein; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

FINANCIAL STATEMENTS

The Financial Statements have been forwarded to Shareholders together with this Information Circular. No formal action will be taken at the Meeting to approve the Financial Statements, with the requirements of the ABCA having been met with the advance circulation of such Financial Statements. The Financial Statements are also available on the SEDAR website at www.sedar.com.

ELECTION OF DIRECTORS

It is the intention of the persons designated in the enclosed Proxy Form, unless otherwise instructed, to vote to elect Derek Linfield, William Dawes, Alexander Lemon, Adrian Reynolds, Sandra du Toit, Shaun Treacy and Susan Muir, to hold office subject to the articles and by-laws of the Corporation, as directors of the Corporation.

The foregoing persons are the nominees of management of the Corporation for election as directors of the Corporation. The directors of the Corporation are elected to hold office until the next annual general meeting of the Corporation or until their successors are appointed, unless a director ceases to hold office pursuant to the ABCA or the office is vacated pursuant to the by-laws of the Corporation.

In the absence of instructions to the contrary, the enclosed Proxy Form will be voted for the nominees herein listed. **Management does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees does not stand for election or are unable to serve as such, proxies in favour of Management Designees will be voted for another nominee in their discretion unless the Shareholder has specified in the Shareholder's proxy that the Shareholder's Common Shares are to be withheld from voting in the election of directors of the Corporation.**

The following table sets out the name of each of the persons proposed to be nominated for election as a director and the name of each of the persons whose term of office, if elected, shall continue after the Meeting; all positions and offices in the Corporation presently held by them; their principal occupations at present and during the preceding five years; the periods during which they have served as directors; and the number of Common Shares, stock options and common share purchase warrants that they have advised the Corporation are beneficially owned by them, directly or indirectly, or over which control or direction is exercised, as of the date hereof:

Name, Municipality of Residence, Office and Date became a Director	Present and Principal Occupation During the Last Five Years	Common Shares Beneficially Owned Directly or Indirectly or Controlled or Directed	Stock Options or Common Share Purchase Warrants Beneficially Owned Directly or Indirectly or Controlled or Directed
<p>Derek Linfield⁽¹⁾ Chairman and Director London, United Kingdom January 31, 2014</p>	<p>Mr. Linfield is the Chairman of Cornish Lithium Limited and is the director of a number of private companies, as well as being a consultant to the law firm Fasken Martineau DuMoulin LLP (since 2016). He was previously the managing partner of Stikeman Elliott (London) LLP, which is the UK office of the Canadian law firm Stikeman Elliott LLP, where he worked from 2003 until 2015.</p>	<p>1,706,228 Common Shares</p>	<p>1,730,000 Stock Options</p>
<p>William Dawes Chief Executive Officer and Director London, United Kingdom December 20, 2010</p>	<p>Mr. Dawes is the Chief Executive Officer of the Corporation. He has been an executive director of Leo Mining & Exploration Limited (“Leominex”) and of Lancaster Exploration Limited (“Lancaster”) since September 2007.</p>	<p>8,721,443 Common Shares⁽²⁾⁽³⁾</p>	<p>2,455,000 Stock Options</p>
<p>Alexander Lemon President and Director London, United Kingdom December 20, 2010</p>	<p>Mr. Lemon is the President of the Corporation. He has been an executive director of Leominex and of Lancaster since September 2007.</p>	<p>8,550,205 Common Shares⁽²⁾</p>	<p>2,455,000 Stock Options</p>
<p>Adrian Reynolds⁽¹⁾⁽⁴⁾ Director Cape Town, South Africa June 29, 2011</p>	<p>Mr Reynolds is currently an independent consultant. He served as General Manager at Randgold Resources Limited, from 1997 to 2009 and Chairman of Digby Wells Environmental from 2012 to 2017. At Randgold, he was also a director of Morila Ltd. and Société des Mines de Loulo S.A. He is currently a non-executive director of Geodrill Ltd and from April 2011 to June 2016 he was a non-executive director of Aureus Mining Inc.</p>	<p>64,305 Common Shares</p>	<p>810,000 Stock Options</p>
<p>Susan Muir⁽⁶⁾ Director Toronto, Canada August 28, 2018</p>	<p>Ms. Muir was Vice President, Investor Relations & Corporate Communications with Arizona Mining Inc. from August 2016 to August 2018; prior thereto, Ms. Muir was Vice President, Investor Relations & Corporate Communications with Titan Mining Corporation from June 2017 to January 2018; prior thereto, Ms. Muir was Vice President, Investor Relations & Corporate Communications with NewCastle Gold Ltd. from August 2016 to December 2017; prior thereto, Ms. Muir was Vice President, Investor Communications with Barrick Gold Corporation from February 2007 to June 2016.</p>	<p>Nil</p>	<p>335,000 Stock Options</p>

Name, Municipality of Residence, Office and Date became a Director	Present and Principal Occupation During the Last Five Years	Common Shares Beneficially Owned Directly or Indirectly or Controlled or Directed	Stock Options or Common Share Purchase Warrants Beneficially Owned Directly or Indirectly or Controlled or Directed
Sandra du Toit ⁽⁵⁾⁽⁶⁾ Director Johannesburg, South Africa August 28, 2018	Ms. du Toit is currently Executive Vice President with The Standard Bank of South Africa Limited (“ Standard Bank ”). Ms. du Toit has been with Standard Bank since February 2007.	Nil	335,000 Stock Options
Shaun Treacy ⁽⁵⁾⁽⁶⁾ Nominee Director Sydney, Australia	Mr. Treacy is currently Executive Director and Chief Investment Officer for the private equity firm, Arete Capital Partners (“ Arete ”) based in Melbourne, Australia. Mr. Treacy has been with Arete since August 2014. Prior thereto, Mr. Treacy was a managing director with UBS in Hong Kong from March 2013 to August 2014. Mr. Treacy is also a Director of Leominex.	Nil	335,000 Stock Options 1,914,285 Warrants ⁽⁷⁾

Notes:

- (1) Member of the Remuneration Committee.
- (2) 8,546,205 of these Common Shares are held through Leominex, a company in which William Dawes and Alexander Lemon each own 17.3% of the issued and outstanding shares.
- (3) 175,238 of these Common Shares are held through The JP Morgan 1998 Employee Trust, of which William Dawes is a beneficiary.
- (4) Member of the Audit Committee.
- (5) Expected to be appointed to the Audit Committee after the Meeting.
- (6) Expected to be appointed as a member of the Remuneration Committee after the Meeting.
- (7) These warrants are held through Zenith Advisory Services Pty Ltd.

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Corporation is, or has been within the past ten years, a director, chief executive officer or chief financial officer of any company that, while such person was acting in that capacity:

- (a) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days; or
- (b) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemptions under securities legislation, and that was in effect for a period of more than 30 consecutive days, that was issued after that individual ceased to be a director or chief executive officer or chief financial officer and which resulted from an event that occurred while such person was acting in a capacity as a director, chief executive officer or chief financial officer.

No other director or proposed director of the Corporation is, or has been within the past ten years, a director or executive officer of any company that, while such person was acting in that capacity or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Individual Bankruptcies

No director or proposed director of the Corporation is or has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or

instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that individual.

APPOINTMENT OF AUDITORS

At the Meeting, Shareholders will be asked to vote in favour of the re-appointment of Meyers Norris Penny LLP, Suite 1500, 640 - 5th Avenue S.W., Calgary, Alberta T2P 3G4, as auditors of the Corporation, to hold office until the next annual general meeting of Shareholders, or until its successors are elected or appointed, and to authorize the directors to fix their remuneration as such. Meyers Norris Penny LLP has been the auditor of the Corporation since February 18, 2008.

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **Unless otherwise directed, the Management Designees named in the accompanying Proxy Form intend to vote in favour of the appointment of Meyers Norris Penny LLP, Chartered Accountants, as auditor of the Corporation, to hold office until the next annual general meeting of the Shareholders, at a remuneration to be determined by the directors of the Corporation.**

APPROVAL OF OPTION PLAN

The Shareholders will be asked to consider and, if deemed advisable, to re-approve the stock option plan of the Corporation (the “**Option Plan**”) attached as Appendix A to this Information Circular. Approval of the Option Plan is being sought in accordance with the policies of the TSXV, whereby issuers whose stock option plans are plans which reserve shares for issuance upon the exercise of options based upon a percentage of the issuer’s issued and outstanding shares rather than a fixed number (“**Rolling Plans**”), must have such plans approved by the Shareholders at each annual meeting of Shareholders. The Shareholders will therefore be asked at the Meeting to vote on a resolution approving the Option Plan.

The Option Plan, approved by the Board on September 27, 2010, is a Rolling Plan. The Option Plan is identical to the stock option plan that was approved by the Shareholders at the meeting held on January 18, 2018.

The Option Plan is intended to provide the Board with the ability to issue options to provide the employees, officers, directors and consultants of the Corporation with long-term equity-based performance incentives, which are a key component of the Corporation’s compensation strategy. The Corporation believes it is important to align the interests of management, employees and consultants with shareholder interests and to link performance compensation to enhancement of shareholder value. This is accomplished through the use of stock options whose value over time is dependent on market value.

The aggregate number of Common Shares issuable upon the exercise of all options granted under the Option Plan cannot exceed 10% of the issued and outstanding Common Shares. As at the date hereof, options to acquire 10,845,000 Common Shares have been issued and outstanding, representing approximately 10% of the issued and outstanding Common Shares. The Shareholders will be asked to consider and, if deemed advisable, to pass the following ordinary resolution approving the Option Plan:

“BE IT RESOLVED THAT:

1. the stock option plan of the Corporation, substantially in the form attached as Appendix A to the management information circular of the Corporation dated August 29, 2018, be and is hereby re-approved and adopted as the stock option plan of the Corporation;
2. the form of the stock option plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Corporation;
3. the number of common shares of the Corporation issuable under the stock option plan be set at 10% of the aggregate number of Common Shares issued and outstanding from time to time subject to any limitations imposed by applicable laws, rules, regulation and policies;

4. the continuation of the 10,845,000 options currently outstanding under the stock option plan of the Corporation, without amendment to their terms except as required to comply with the stock option plan be authorized and approved; and
5. any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing.”

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Management Designees, unless instructed otherwise, intend to vote to approve the Option Plan in substantially the form as attached as Appendix “A” to this Information Circular.**

THE CONTINUANCE

Continuance of the Corporation from Alberta to British Columbia

The Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, the Continuance Resolution, the full text of which is set forth below, to approve the making of an application to the AB Registrar and to the BC Registrar to continue the Corporation from the jurisdiction of Alberta pursuant to the ABCA, and to continue the Corporation into the jurisdiction of British Columbia pursuant to the BCBCA.

The Continuance Resolution must be approved by at least 66⅔% of the votes cast at the Meeting by the Shareholders in person or by proxy.

The ABCA and BCBCA permit the Corporation to continue under the BCBCA with the authority of a special resolution, the consent of the AB Registrar and upon complying with certain procedures and filing certain forms. A registered Shareholder has the right to dissent to the Continuance Resolution. See “*Dissent Rights*” below for a description of the right of dissent under the ABCA in connection with the proposed Continuance. Upon the Continuance, the Corporation will be treated as if it has been incorporated under the BCBCA.

If the Shareholders approve the Continuance, the articles of continuance (the “**Articles of Continuance**”) attached hereto as Appendix B will be filed with the Registrar subsequent to the Meeting. If the Continuance Resolution is approved at the Meeting and the Continuance becomes effective, the Corporation will adopt articles (similar in nature to by-laws under the ABCA) in order to better govern its administration. The Board believes it to be in the best interests of the Corporation to adopt a standard set of articles similar to those used by public companies organized under the BCBCA. The Board has conditionally approved such articles, (the “**BC Articles**”) attached as Appendix C to this Circular, which will come into effect upon the completion of the Continuance.

Continuance of the Corporation under the BCBCA will not affect the application of securities laws, regulations, rules and policies that presently apply to the Corporation. Subject to the factors set out below under “*Changes to By-laws*” and “*Comparison of Shareholder Rights*”, the rights of Shareholders following the proposed Continuance will be substantially similar to those under the Articles and By-laws of the Corporation and the ABCA. As of the effective date of the Continuance, the Corporation’s legal domicile will be the Province of British Columbia, and the Corporation will no longer be subject to the provisions of the ABCA. By operation of law under the Province of British Columbia, as of the effective date of the Continuance, all of the assets, property, rights, liabilities and obligations of the Corporation immediately prior to the Continuance will continue to be the assets, property, rights, liabilities and obligations of the Corporation after the Continuance.

The foregoing description of the consequences of the Continuance, as well as the sections of this Circular titled “*Changes to By-laws*” and “*Comparison of Shareholder Rights*”, are qualified in their entirety by the provisions of the BCBCA, the ABCA, the Articles, the By-laws, the Articles of Continuance and the BC Articles, and are not an exhaustive analysis of the consequences of the Continuance. No part of this Management Proxy Circular is intended to be, nor should any of the disclosure herein be construed as, legal advice to Shareholders. Shareholders should consult with their own legal advisors with respect to the consequences of the proposed Continuance, including the adoption of the BC Articles by the Corporation.

The Board may determine not to proceed with the Continuance at any time before or after the holding of the Meeting but prior to the issuance of a Certificate of Continuance, without further action on the part of Shareholders.

The Board unanimously recommends that Shareholders vote in favour of the Continuation Resolution.

The complete text of the Continuation Resolution to be considered at the Meeting is as follows:

“BE IT RESOLVED THAT:

1. any one director or officer of the Corporation be and is hereby authorized and directed to submit an application to the Alberta corporate registrar in accordance with section 189 of the ABCA for a letter of approval authorizing the continuance of the Corporation into British Columbia;
2. any one director or officer of the Corporation be and is hereby authorized and directed to submit an application to the British Columbia corporate registrar in accordance with section 302 of the BCBCA for continuation of the Corporation into British Columbia;
3. upon receipt of a certificate of continuation from the British Columbia corporate registrar (“**Certificate of Continuation**”), any one director or officer of the Corporation be and is hereby authorized and directed to provide notice to the Alberta corporate registrar that the Corporation has been continued under the laws of the Province of British Columbia;
4. subject to the issuance of a Certificate of Continuation and a certificate of discontinuance from the Alberta corporate registrar and without affecting the validity of the Corporation and the existence of the Corporation by or under its articles of amalgamation (the “**Articles**”) and its by-laws (the “**By-laws**”) and any acts done thereunder, effective upon the issuance of the Certificate of Continuation, the articles of continuance (the “**Articles of Continuation**”) attached to the management information circular of the Corporation dated August 29, 2018 (the “**Circular**”) as Appendix B and the articles of the Corporation (the “**BC Articles**”) attached to the Circular as Appendix C are hereby confirmed and approved and the Articles and By-laws shall be replaced in their entirety by the Articles of Continuation and the BC Articles;
5. the directors of the Corporation may abandon the application for continuance under the BCBCA authorized by this special resolution without further approval of the shareholders at any time prior to the continuance becoming effective; and
6. any one director or officer of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to the foregoing special resolutions, including, without limitation, the execution and filing of the Articles of Continuation and all documents and forms required pursuant to the BCBCA, such performance or execution and delivery thereof to be conclusive evidence of such authority and approval.”

Changes to By-laws

The following is a comparison of the material differences that exist between By-laws and Articles as compared to the BC Articles and is not an exhaustive analysis of the consequences of the Continuation. Shareholders should consult with their legal advisors. See “*Continuance of the Corporation from Alberta to British Columbia*”.

Additional Provisions

Many provisions found in the BC Articles are not found in the By-laws because such provisions are duplicative of the provisions included in the ABCA. Adopting these provisions as part of the BC Articles is typical for corporations incorporated under the BCBCA.

Provisions Not Applicable to Public Companies

Various provisions of the BC Articles will only be applicable in the event the Corporation is a private company, and are therefore not applicable at this time.

Further Information

For further information regarding the similarities and differences between the BC Articles and the Articles and By-laws, Shareholders should consult their legal advisors and refer to the BC Articles and the Articles and By-laws,

copies of which will be available at the Corporation's registered office, during normal business hours up to and including the date of the Meeting.

Comparison of Shareholder Rights

If the Continuance is approved and completed, the Corporation will be governed by the BCBCA instead of the ABCA. While the rights of shareholders under the BCBCA are broadly similar to those under the ABCA, there are a number of variations in detail. The following is a summary of certain similarities and differences between the BCBCA and the ABCA on matters pertaining to shareholder rights and is not an exhaustive analysis of the consequences of the Continuance. Shareholders should consult with their legal advisors. See "*Continuance of the Corporation from Alberta to British Columbia*".

Ability to Set Necessary Levels of Shareholder Consent

BCBCA: a company, in its articles, can establish levels for various shareholder approvals (other than those prescribed by the BCBCA). The percentage of votes required for a special resolution, referred to as a "special majority", can be specified in the articles and may be no less than two-thirds and no more than three-quarters of the votes cast.

ABCA: there is no flexibility on shareholder approvals, which are either ordinary resolutions passed by a majority of the votes cast or, where prescribed by the ABCA, are special resolutions passed by not less than two-thirds of the votes cast.

Sale of Assets

BCBCA: the directors of a company may dispose of all or substantially all of the business or undertakings of the company (a) if it is in the ordinary course of the company's business, or (b) with shareholder approval authorized by a special resolution. A special resolution requires approval by a "special majority", which is specified in a company's articles, and is at least two-thirds and not more than three-quarters of the votes cast by those shareholders voting in person or by proxy at a meeting of the shareholders.

ABCA: requires the approval of the holders of two-thirds of the shares of a company represented at a duly called meeting to approve a sale, lease or exchange of all or substantially all of the company's property. Each share of the company carries the right to vote in respect of a sale, lease or exchange of all or substantially all of the property of a company whether or not the share otherwise carries the right to vote. Holders of shares of a class or series can vote separately only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series.

Amendments to the Charter Documents

BCBCA: changes to a company's articles will be effected by the type of resolution specified by the BCBCA, or, if not specified by the BCBCA, then the type of resolution specified in the articles of the company which, for many changes, including change of name or alterations to the articles, could provide for approval solely by a resolution of the directors. In the absence of specific guidance by the BCBCA or the articles, most corporate alterations will require a special resolution. Changes to the special rights and restrictions attached to issued shares requires, in addition to any resolution provided for by the articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuance of a company out of the jurisdiction requires a special resolution as described above.

ABCA: substantive changes to the charter documents of a company require a resolution passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the change. Where certain specified rights of the holders of a class of shares are affected differently by the change than the rights of the holders of other classes of shares, a resolution passed by not less than two-thirds of the votes cast by the holders of all of the shares of a company, whether or not they carry the right to vote, and a special resolution of each class, or series, as the case may be, even if such class or series is not otherwise entitled to vote is required to approve the change. A resolution to amalgamate an ABCA company requires a special resolution passed by the holders of each class of shares or series of shares, whether or not such shares otherwise carry the right to vote, if such class or series of shares are affected differently.

Rights of Dissent and Appraisal

BCBCA: registered shareholders who dissent on certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the company proposes to pass: (a) a resolution to alter the articles to change restrictions on the company's powers or on the business it is permitted to carry on; (b) a resolution to adopt an amalgamation agreement; (c) a resolution to approve an amalgamation into a foreign jurisdiction; (d) a resolution to approve an arrangement, the terms of which arrangement permit dissent; (e) a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertakings; (f) a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia; and (g) any other resolution, if dissent is authorized by the resolution, or where any court order permits dissent.

ABCA: provides that registered shareholders who dissent on certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholders at the fair value of such shares. This dissent right is available where a company proposes to: (a) amend its articles to add, change or remove any provision restricting or constraining the issue or transfer of any class of shares; (b) amend its articles to add, change or remove any restrictions on business or businesses that the company may carry on; (c) amend its articles to add or remove an express statement establishing the unlimited liability of shareholders; (d) enter into certain statutory amalgamations; (e) continue out of the jurisdiction; and (f) sell, lease or exchange all or substantially all of its property.

Oppression Remedies

BCBCA: a shareholder, including a beneficial owner of a share of a company, or any other person whom the court considers to be an appropriate person to make an application, has the right to apply to court on the grounds that: (a) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or (b) some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant. On such an application, the court may make such order as it sees fit including an order to prohibit any act proposed by the company.

ABCA: a shareholder, former shareholder, director, former director, officer, former officer or a creditor of a company or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, may apply to a court for an order to rectify the matters complained of where in respect of a company or any of its affiliates any act or omission of a company or its affiliates effects a result, the business or affairs of a company or its affiliates are or have been carried on or conducted in a manner, or the powers of the directors of the company or any of its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer.

Shareholder Derivative Actions

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

ABCA: a broader right to bring a derivative action is contained in the ABCA and this right extends to a shareholder, former shareholder, director, former director, officer, former officer or a creditor of a company or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to make an application to court to bring a derivative action. In addition, the ABCA permits derivative actions to be commenced or intervened in the name and on behalf of a company or any of its subsidiaries.

Requisition of Meetings

BCBCA: provides that one or more shareholders of a company holding not less than 5% of the issued voting shares of the company may give notice to the directors requiring them to call and hold a general meeting which meeting must be held within four months. If the directors do not call a meeting within 21 days of receiving the requisition, the requisitioning shareholders, or any one or more requisitioning shareholders holding in the aggregate more than 2.5% of the issued voting shares of the company, may call the meeting.

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

Place of Meetings

BCBCA: requires all meetings of shareholders to be held in British Columbia unless (a) the company's articles provide for a location outside the province, (b) the location is approved by the type of resolution required by the articles for such purpose or, if no type of resolution is specified in the articles, by ordinary resolution of the shareholders, or (c) approved in writing by the British Columbia Registrar of Companies before the meeting is held.

ABCA: provides that a meeting of shareholders may be held outside Alberta where the articles so provide or where all shareholders entitled to vote at such a meeting so agree.

Directors

BCBCA: provides no residency requirements for directors of a company incorporated under the BCBCA. The BCBCA provides that a public company must have at least three directors. A director may be removed by a special resolution or, if the articles otherwise provide that a director may be removed by a resolution of the shareholders passed by less than a special majority or may be removed by some other method, by the resolution or method specified.

ABCA: at least one-quarter of directors of a company incorporated under the ABCA must be resident Canadians. The ABCA provides that a distributing company must have not less than three directors, at least two of whom are not officers or employees. Under the ABCA, a director may be removed by an ordinary resolution of the shareholders.

Quorum

BCBCA: the quorum is the quorum established by the articles or if no quorum is established, it is two shareholders entitled to vote at the meeting whether present in person or represented by proxy.

ABCA: unless the by-laws otherwise provide, a quorum of shareholders is present at a meeting of shareholders, irrespective of the number of persons actually present at the meeting, if the holder or holders of a majority of the shares entitled to vote at the meeting are present in person or represented by proxy. If a company has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

Dividends

BCBCA: a company may pay dividends to its shareholders by shares, warrants or money, unless the company is insolvent or the payment of the dividends would render the company insolvent.

ABCA: a company may not pay dividends if the company is, or would after the payment be, unable to pay its liabilities as they become due, or the realizable value of the company's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

Further Information

For further information regarding the similarities and differences between the BCBCA and the ABCA, Shareholders should consult their legal advisors and refer to the BCBCA and the ABCA, copies of which will be available at the Corporation's registered office, during normal business hours up to and including the date of the Meeting.

Dissent Rights In Respect of the Continuance

Pursuant to section 191 of the ABCA, registered Shareholders have the right to dissent with respect to the Continuance Resolution and, if the Continuance becomes effective, to be paid the fair value of their shares of the Corporation in accordance with the provisions of section 191 of the ABCA. A registered Shareholder wishing to exercise its right to dissent with respect to the Continuance must send to a written objection to the Continuance Resolution and such written objection must be received by the Corporation c/o its legal counsel, Fasken Martineau DuMoulin LLP, at 3400, 350 - 7th Avenue S.W., Calgary, Alberta T2P 3N9, Attention: Sarah Gingrich, by 7:00 a.m. (Calgary time) on September 28, 2018 (or such other date that is two business days immediately preceding the date of the Meeting as it may be adjourned or postponed from time to time).

Failure to strictly comply with the requirements set forth in section 191 of the ABCA, may result in the loss of any right to dissent. Persons who are beneficial owners of Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only the registered holders of Shares are entitled to dissent. Accordingly, a beneficial owner of Shares desiring to exercise this right must make arrangements for the Shares beneficially owned by such Shareholder to be registered in the Shareholder's name prior to the time the written objection to the Continuance Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Shares to dissent on the Shareholder's behalf. It is strongly suggested that a Shareholder considering dissent seeks independent legal advice, as the failure to comply strictly with the provisions of the ABCA may prejudice such Shareholder's right to dissent. Further, a Shareholder considering dissent should consult with a tax advisor with respect to the income tax consequences to them of such action. A vote against the Continuance Resolution or an abstention shall not constitute the required written objection. Shareholders who have voted in favour of the Continuance Resolution, in person or by proxy, shall not be accorded the right to dissent.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

This compensation discussion and analysis describes and explains the Corporation's policies and practices with respect to compensation.

Objectives of Compensation Program

The Corporation's compensation philosophy is to provide competitive compensation with a view to attract, motivate and retain highly qualified executive officers capable of achieving the Corporation's strategic and performance objectives and ultimately creating and preserving shareholder value. Consistent with this philosophy, the Corporation's compensation program is designed to achieve the following key objectives:

- recruit, inspire and retain highly skilled executives;
- reward those who meet and exceed both short-term operational and long-term strategic goals; and
- align the interests of executives with corporate performance, and therefore Shareholders' interests.

The Board has not formally considered the implications of risks associated with the Corporation's compensation policies and practices as, in their view, the current structure of the Corporation's executive compensation arrangements is focused on long-term value and is designed to correlate to the long-term performance of the Corporation, which includes but is not limited to performance of its share price.

The NEOs (as defined below) and directors of the Corporation are not formally prohibited from purchasing financial instruments designed to hedge or offset a decrease in the market value of shares, including shares granted as or underlying share-based compensation or otherwise held directly or indirectly by an NEO or a director. In the view of the Board, the structure and nature of directors and executive compensation is designed to reduce the need to hedge or offset any potential decrease in the price of shares of the Corporation and is adequate to ensure that the interests of the directors and NEOs are adequately aligned with those of the Corporation generally.

Elements of Compensation Program

As discussed in further detail below, the Corporation's compensation program is comprised of two main elements: (1) base salaries; and (2) long-term incentives in the form of security-based awards. These components are combined to provide a compensation package that is designed to attract, retain and motivate the executive management of the Corporation with competitive remuneration packages. The remuneration policy is aligned to the Corporation's appetite for risk and long term strategic goals. A proportion of remuneration is structured so as to link rewards to corporate and individual performance and designed to promote the long term success of the Corporation. In determining such policy, the remuneration committee takes into account all factors which it deems necessary, including relevant legal and regulatory requirements and the provisions and recommendations of relevant regulator guidance.

Base Salary

The primary element of the Corporation's compensation program is base salary. The Corporation's view is that a competitive base salary is a necessary element for attracting and retaining qualified executive officers. The amount payable to a named executive officer ("**Named Executive Officer**" or "**NEO**") as base salary is determined primarily by past performance, anticipated future contribution and internal value of the NEOs.

Stock Options

The portion of overall NEO compensation attributable to the Option Plan is outlined in the "Summary Compensation Table". The Option Plan is intended to align NEOs' long-term incentives with the interests of Shareholders. Under the Option Plan, options are awarded to senior executives for present and potential contribution to the performance of the Corporation. Options issued by the Corporation vest over time and have a maximum ten-year term, providing incentives to executives to support long-term corporate goals and Shareholder interests, further encouraging the long-term retention of such individuals. The grant of option-based awards to NEOs is approved by the Board.

Individual grants under the Option Plan are determined by an assessment by the Board (who will receive recommendations from the Remuneration Committee) of a NEO's current and expected performance, contribution to the Corporation, level of responsibility, importance of position and taking into account the number of options already held by the individual.

Summary Compensation Table

The following table sets forth all direct and indirect compensation for, or in connection with, services provided to the Corporation and its subsidiaries for the financial year ended December 31, 2017 in respect of the Corporation's NEOs. A Named Executive Officer is defined under Form 51-102F6 - *Statement of Executive Compensation* ("**Form 51-102F6**") to include the following individuals:

- (a) each chief executive officer ("**CEO**" or "**Chief Executive Officer**") of the Corporation or an individual who acted in a similar capacity during the most recently completed financial year;
- (b) each chief financial officer ("**CFO**" or "**Chief Financial Officer**") of the Corporation or an individual who acted in a similar capacity during the most recently completed financial year;
- (c) each of the Corporation's three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, as at the end of the most recently completed financial year, and whose total compensation was, individually, more than CAD\$150,000 per year; and
- (d) any additional individuals for whom disclosure would have been provided under (c) except that the individual was not serving as an officer of the Corporation at the end of the most recently completed financial year.

The Corporation's Named Executive Officers for the year ended December 31, 2017 are William Dawes, Alexander Lemon and Sandra Evans. William Dawes was appointed as CEO of the Corporation effective December 20, 2010 and prior thereto, served as a director of the Corporation's subsidiary, Lancaster. Alexander Lemon was appointed as President of the Corporation effective December 20, 2010 and prior thereto, served as a director of the Corporation's subsidiary, Lancaster. Sandra Evans (formerly Beaulieu) was appointed as CFO on June 29, 2011. No other individuals were considered Named Executive Officers, as such term is defined in Form 51-102F6, during the year ended December 31, 2017.

Name and Principal Position	Year	Salary (US\$) ⁽²⁾	Option Based Awards (US\$) ⁽³⁾	Share Based Awards (US\$) ⁽⁴⁾	Non-Equity Incentive Plan Compensation (US\$) ⁽¹⁾		Pension Value (US\$)	All Other Compensation (US\$)	Total Compensation (US\$)
					Annual Incentive Plans	Long Term Incentive Plans			
William Dawes, CEO and Director	2017	108,875 ⁽⁵⁾	27,740	Nil	Nil	Nil	Nil	Nil	136,615
	2016	113,406 ⁽⁵⁾	44,230	Nil	Nil	Nil	Nil	Nil	157,636
	2015	128,126 ⁽⁵⁾	22,269	Nil	Nil	Nil	Nil	Nil	150,395
Alexander Lemon, President and Director	2017	108,875 ⁽⁵⁾	27,740	Nil	Nil	Nil	Nil	Nil	136,615
	2016	113,406 ⁽⁵⁾	44,230	Nil	Nil	Nil	Nil	Nil	157,636
	2015	128,126 ⁽⁵⁾	22,269	Nil	Nil	Nil	Nil	Nil	150,395
Sandra Evans, CFO	2017	31,407 ⁽⁶⁾	3,329	Nil	Nil	Nil	Nil	Nil	34,736
	2016	31,499 ⁽⁶⁾	5,308	Nil	Nil	Nil	Nil	Nil	36,807
	2015	30,890 ⁽⁶⁾	Nil	Nil	Nil	Nil	Nil	Nil	30,890

Notes:

- (1) "Non-Equity Incentive Plan Compensation" includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.
- (2) The value of perquisites including property or other personal benefits provided to a Named Executive Officer that are generally available to all employees, and that in the aggregate are worth less than US\$50,000, or are worth less than 10% of an Named Executive Officer's total salary for the financial year are not reported herein.
- (3) The Corporation uses the Black-Scholes option-pricing model to determine the fair value of share-based payments. Inputs to the model are subject to various estimates about volatility, interest rates, forfeiture rates and expected life of the options issued. Fair value inputs are subject to market factors as well as internal estimates. The Corporation considers historic trends together with any new information to determine the best estimate of fair value at the date of grant.
- (4) "Share-based Awards" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
- (5) These amounts were paid in British pounds ("£") and are stated in the table above in United States dollars. The amounts in United States dollars were arrived at using the relevant annual weighted average exchange rate. On May 12, 2016, the Corporation entered into arrangements with the CEO and President whereby a total of £145,618 (approximately US\$196,803), comprising deferred salaries for Executive Directors accrued between March 2015 and May 12, 2018. Additional consulting fees were accrued from May 13, 2016 until July 31, 2017, which increased the accrual by £210,000 (\$283,815). On March 2, 2018, £177,810 (\$212,764) was paid to the Executive Directors. Under the terms of the Consulting Agreements, these deferred consulting fees in addition to the balance of unpaid and accrued consulting fees subsequent to May 12, 2016 (£211,000 (\$247,594)) remain as an outstanding liability.
- (6) These amounts were paid in Canadian dollars and are stated in the table above in United States dollars. The amounts in United States dollars were arrived at using the relevant annual weighted average exchange rate.

Incentive Plan Awards

The Option Plan has been established to recognize contributions made by directors, officers, employees and consultants of the Corporation, to provide incentive to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Board administers the Option Plan and it is their responsibility to ensure that the provisions of the Option Plan are adhered to. The following is a summary of some of the principal features of the Option Plan.

Eligible Optionees

Under the policies of the TSXV, to be eligible for the issuance of a stock option under the Option Plan, an optionee must either be a director, officer, employee, consultant or an employee of a company providing management or other services to the Corporation or a subsidiary at the time the option is granted.

Options may be granted only to an individual or to a non-individual that is wholly-owned by individuals eligible for an option grant. If the option is granted to a non-individual, it must provide the TSXV with an undertaking that it will not permit any transfer of its securities, nor issue further securities, to any individual or other entity as long as the option remains in effect, without the consent of the TSXV.

Material Terms of the Plan

The following is a summary of the material terms of the Option Plan:

- (a) the number of Common Shares that may be issued under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares at the time of the grant;
- (b) the total number of Common Shares reserved for issuance to any one individual under the Option Plan during any twelve-month period shall not exceed 5% of the Common Shares issued and outstanding at the time of the grant (unless disinterested shareholder approval is obtained);
- (c) the maximum number of Common Shares reserved for issuance to any one consultant in any twelve-month period shall be no more than 2% of the issued and outstanding Common Shares at the time of the grant;
- (d) the maximum number of Common Shares reserved for issuance to any one person conducting investor relations activities in any twelve-month period shall be no more than 2% of the issued and outstanding Common Shares at the time of the grant;
- (e) the Board determines the purchase price for Common Shares under option but in no event, shall the price be less than the market price (as defined in the policies of the TSXV or such other exchange that the Common Shares may be listed on) less any permitted discounts;
- (f) the Corporation is required to obtain disinterested shareholder approval prior to any of the following actions becoming effective: (i) the Option Plan, together with all of the Corporation's other share compensation arrangements, could result at any time in: (A) the aggregate number of Common Shares reserved for issuance under options granted to Insiders (as defined in the Stock Option Plan) exceeding 10% of the outstanding Common Shares; (B) the number of shares issuable upon exercise of options issued to Insiders within a one-year period exceeding 10% of the outstanding Common Shares or; (C) the issuance to any one optionee, within a twelve-month period, of a number of Common Shares exceeding 5% of outstanding Common Shares; or (ii) any reduction in the exercise price of an option previously granted to an Insider;
- (g) the Corporation may grant options having a term of up to ten years;
- (h) the vesting of options shall be at the discretion of the Board; provided that options granted to consultants conducting investor relations activities will vest over a period of not less than twelve months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting (or such longer vesting period as the Board may determine);
- (i) in the case of the death of an optionee, any vested option held by them at the date of death will become exercisable by the optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;
- (j) an option granted to any optionee will expire 90 days after the date the optionee ceases to be employed by or provide services to the Corporation, but only to the extent that such option has vested at the date the optionee ceased to be so employed by or to provide services to the Corporation; and
- (k) all unexercised options granted to any optionee will terminate immediately upon dismissal of the optionee for cause.

There were no options re-priced under the Option Plan during the Corporation's financial year ended December 31, 2017.

Outstanding Share-based Awards and Option-based Awards

The table below shows the issued and outstanding options of the Corporation to its NEOs as of December 31, 2017.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested
	(#)	(CAD\$)		(US\$)	(#)	(US\$)
William Dawes	1,750,000	0.06	15 June 2026	\$41,736	437,500	NA
	705,000	0.07	24 October 2027	Nil	705,000	NA
Alexander Lemon	1,750,000	0.06	15 June 2026	\$41,736	437,500	NA
	705,000	0.07	24 October 2027	Nil	705,000	NA
Sandra Evans	210,000	0.06	15 June 2026	\$5,008	52,500	NA
	50,000	0.07	24 October 2027	Nil	50,000	NA

Value Vested or Earned During the Year

The following table sets out details of the value vested or earned by each NEO during the financial year ended December 31, 2017 for each incentive plan award:

Name	Option-based awards - Value vested during the year (US\$) ⁽¹⁾	Share-based awards - Value vested during the year (US\$)	Non-equity incentive plan compensation - Value earned during the year (US\$)
William Dawes	27,824	Nil	Nil
Alexander Lemon	27,824	Nil	Nil

Name	Option-based awards - Value vested during the year (US\$) ⁽¹⁾	Share-based awards - Value vested during the year (US\$)	Non-equity incentive plan compensation - Value earned during the year (US\$)
Sandra Evans	3,339	Nil	Nil

Note:

- (1) The amount is based on the difference between the market price of the underlying security on the date it vested during 2017 and the exercise price of the option times the number of options that vested.

Other Compensation

Other than as set forth herein, the Corporation did not pay any other compensation to Named Executive Officers of the Corporation (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full-time employees) during the last completed financial year.

Termination and Change of Control Benefits

There is no employment contract, compensatory plan, or other arrangement in place with the Named Executive Officers, nor are there any agreements between the Corporation and the Named Executive Officers that provide for payment to the Named Executive Officers of the Corporation in connection with any termination, resignation, retirement or change in responsibilities of the Named Executive Officers, except as discussed under the section entitled Executive Compensation - "Incentive Plan Awards" other than pursuant to consulting agreements (each a "**Consulting Agreement**") with William Dawes and Alexander Lemon which provide that:

- a) upon termination without cause, the consultant will be entitled to an amount equal to one year's consulting fee and the consultant options will vest and their expiry date will be extended by one year; and
- b) upon a Change of Control (as defined below), the consultant will be entitled to an amount equal to eighteen months' consulting fee and the consultant options will vest and their expiry date will be extended by one year.

Under the respective Consulting Agreements, a "**Change of Control**" shall occur if:

- a) a person, or persons acting jointly or in concert, beneficially holds more than 50% of the voting securities of the Corporation and, as a result, can exercise the right to elect a majority of the members of the Board;
- b) any merger or consolidation of the Corporation with, or sale of all or substantially all of the Corporation's assets or business to, another person (other than an affiliate of the Corporation);
- c) there is a sale of ownership of 50% or more of the voting securities of the Corporation to another person (other than to an affiliate or subsidiary of the Corporation); or
- d) any similar transaction or combination of the foregoing which would have substantially the same effect as any of the foregoing.

COMPENSATION OF DIRECTORS

The Corporation provides its non-employee directors with a compensation package consisting of long-term incentives in the form of stock options granted pursuant to the Option Plan. Director compensation is typically reviewed annually with the objective of attracting and retaining qualified members to serve on the Board.

Director Compensation Table - Non-Executive Directors

The following table sets forth the details of compensation provided to the directors, other than the NEOs, during the year ended December 31, 2017:

Name	Fees earned (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)	Pension value (US\$)	All other compensation (US\$)	Total (US\$)
Derek Linfield	Nil	Nil	\$16,644	Nil	Nil	Nil	\$16,644
Eugene Chen ⁽¹⁾	Nil	Nil	\$9,986	Nil	Nil	Nil	\$9,986
David Berg ⁽¹⁾	Nil	Nil	\$9,986	Nil	Nil	Nil	\$9,986
Adrian Reynolds	Nil	Nil	\$9,986	Nil	Nil	Nil	\$9,986

Note:

- (1) Subsequent to the year ended December 31, 2017, each of Messrs. Berg and Chen, in connection with their not standing for re-election at the Meeting, have entered into retirement agreements pursuant to which they shall each receive payment of US\$54,000.

The following chart illustrates the outstanding share-based awards and option-based awards granted to non-executive directors as at December 31, 2017, including any awards granted in previous financial years:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (CAD\$)	Option expiration date	Value of unexercised in-the-money options (US\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (US\$)	Market or payout value of share-based awards that have not vested (US\$)
Eugene Chen	630,000	0.06	15-Jun-26	\$15,025	157,500	Nil	Nil
	180,000	0.07	24-Oct-27	Nil	180,000	Nil	Nil
David Berg	630,000	0.06	15-Jun-26	\$15,025	157,500	Nil	Nil
	180,000	0.07	24-Oct-27	Nil	180,000	Nil	Nil
Adrian Reynolds	630,000	0.06	15-Jun-26	\$15,025	157,500	Nil	Nil
	180,000	0.07	24-Oct-27	Nil	180,000	Nil	Nil
Derek Linfield	1,050,000	0.06	15-Jun-26	\$25,042	252,500	Nil	Nil
	680,000	0.07	24-Oct-27	Nil	680,000	Nil	Nil

Value Vested or Earned During the Year - Non-Executive Directors

The following table sets out value vested or earned by each non-executive director during the year ended December 31, 2017 under each incentive plan.

Name	Option-based awards - Value vested during the year (US\$) ⁽¹⁾	Share-based awards - Value vested during the year (US\$)	Non-equity incentive plan compensation - Value earned during the year (US\$)
Eugene Chen	10,017	Nil	Nil
David Berg	10,017	Nil	Nil
Derek Linfield	16,694	Nil	Nil
Adrian Reynolds	10,017	Nil	Nil

Note:

- (1) The “value vested” is based on the difference between the market price of the underlying security on the date it vested during the 2017 fiscal year and the exercise price of the option, multiplied by the number of options that vested.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity compensation plan information as at the end of the financial year ended December 31, 2017:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (CAD\$)	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	9,840,000	0.063	1,025,005
Equity compensation plans not approved by security holders	Nil	N/A	Nil
Total	9,840,000	0.063	1,025,005

The Option Plan provides for the issuance of stock options to acquire up to that number of Common Shares that is equal to 10% of the issued and outstanding Common Shares. This is a Rolling Plan. The Option Plan has been established to recognize contributions made by directors, officers, employees and consultants of the Corporation, to provide incentives to qualified parties to increase their proprietary interest in the Corporation and thereby encourage their continuing association with the Corporation. The Board administers the Option Plan and it is their responsibility to ensure that the provisions of the Option Plan are adhered to. Under the Option Plan, options are issued pursuant to option agreements to directors, officers, employees or consultants of the Corporation or a subsidiary of the Corporation. Options issued under the Option Plan expire on a date not later than ten years after the issuance of such option. As at the date hereof, there are 10,845,000 options outstanding and vested to purchase Common Shares representing approximately 10.0% of the issued and outstanding Common Shares.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

No director or officer, or former director or officer of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has

any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein and below, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or officer, proposed nominee for election as a director or any Shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, nor any person who has held such a position since the beginning of the last completed financial year end of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the grant of options which may be granted to such persons upon re-approval of the Option Plan, and as may be set out herein.

MANAGEMENT CONTRACTS

Since Lancaster's incorporation in 2007, Leominex has been providing management and other services to Lancaster. This arrangement was formalized by the entering into of a service provision agreement between Leominex and Lancaster on September 20, 2010 (the "**Services Agreement**"). Pursuant to the terms of the Services Agreement, Leominex provides Lancaster with a variety of services, including administrative, financial and accounting, office equipment, title maintenance, human resource planning and advice, geological and other services (the "**Services**"). Leominex's registered address is Jayla Place, Wickhams Cay 1, P.O. Box 3190, Road Town, Tortola, British Virgin Islands, VG1110. In addition to being directors of the Corporation, William Dawes and Alexander Lemon are also directors and insiders, as that term is defined in applicable securities laws, of Leominex.

Under the Services Agreement, Leominex is entitled to recover its costs attributable to the provision of the Services, including general and overhead costs, human resources fees, salaries and expenses and disbursements, plus a handling fee of 15%. In respect of the services of an employee of Leominex, Leominex may alternatively charge Lancaster at the per diem prevailing market rate.

In connection with the Services, Leominex has from time to time advanced to Lancaster certain loans as evidenced by way of a promissory note dated June 30, 2010 in the amount of US\$138,269 (the "**Promissory Note**"). The loans evidenced by the Promissory Note bear interest at the LIBOR rate for a 12-month deposit in United States dollars on the last business day of the previous month plus 2%. The first interest payment under the Promissory Note became due on January 1, 2011. The loans made under the Promissory Note are repayable upon demand. As at December 31, 2017, US\$12,686 was owed to Leominex under the terms of the Promissory Note.

Pursuant to the terms of the Services Agreement, Leominex has forgiven and irrevocably and unconditionally discharged the debt owed by Lancaster in respect of expenses in the amount of US\$195,400 incurred by Leominex on behalf of Lancaster principally in connection with an exploration project in the Democratic Republic of Congo, which has been discontinued.

The Services Agreement also provides that Leominex may, at any time and from time to time, provide interest-bearing demand loans to Lancaster at the LIBOR rate for a 12 month deposit in United States dollars on the last business day of the previous month plus 2%.

Either party is entitled to terminate the Services Agreement on 90 days' written notice to the other party. Lancaster is further entitled to terminate the Services Agreement on 30 days written notice in the event that (i) Leominex refuses to perform any additionally requested services or to implement changes to the Services requested by

Lancaster; or (ii) Lancaster's board of directors is not satisfied that Leominex is capable of performing its plans and budgets for the due performance of the Services.

Other than pursuant to the Services Agreement, there are no management functions of the Corporation which are to any substantial degree performed by a person or company other than the directors or executive officers of the Corporation.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation is required to disclose its corporate governance practices as summarized below.

Board of Directors

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent meetings. The Board is currently composed of eight directors, six of whom are considered to be independent for purposes of NI 58-101 and, following the Meeting, the Board is expected to be composed of seven directors, five of whom are expected to be independent. The independent members of the Board are Derek Linfield, Adrian Reynolds, Susan Muir and Sandra du Toit and, if elected, Shaun Treacy. Alexander Lemon is not considered an independent director as he is the President of the Corporation and William Dawes is not considered independent as he is the CEO of the Corporation.

The Board may meet independently of management as needed. Although they are permitted to do so, the independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. To facilitate independent judgment among the Board, the Board encourages open and transparent discussions in carrying out its various functions. Furthermore, the Board is in regular formal and informal contact and independent directors are continually provided with the opportunity to be fully apprised of the Corporation's plans and to question management as required.

Directorships

The following directors are also directors of the reporting issuers (or equivalents) shown in the table below:

Name	Other Directorship of Reporting Issuer	Name of Trading Market
Adrian Reynolds	Geodrill Limited	TSX

Attendance

The following table sets forth the attendance by directors of formal board meetings held during the year ended December 31, 2017:

Name	Board Meetings Attended (in person or by telephone)
David Berg	7/7
Eugene Chen	6/7
Adrian Reynolds	7/7

Name	Board Meetings Attended (in person or by telephone)
Derek Linfield	7/7
William Dawes	7/7
Alexander Lemon	7/7

Position Descriptions

While the Board has not codified written descriptions of the Chair of the Board and each committee, the Chief Executive Officer or the Chief Financial Officer, the Corporation and the Board delineate the roles and responsibilities of each position through frequent and transparent communication with each other regarding such roles and responsibilities.

Orientation and Continuing Education

The Corporation takes appropriate steps to assist new directors of the Corporation to develop an understanding of (i) the role of the Board and its committees; (ii) the contribution that directors are expected to make to the Board; and (iii) the nature and operation of the Corporation's business. The Corporation also provides all directors appropriate opportunities when required to maintain or enhance their skills and abilities as directors and ensure that their knowledge and understanding of the Corporation's business remains current.

In order to orient new directors regarding the role of the Board, its committees and directors, including the business and operations of the Corporation, all potential new directors are given the opportunity to meet with the Chief Executive Officer and other directors to ask questions and become familiar with the Corporation prior to being elected as a director.

Ethical Business Conduct

The Board has not adopted a written code for the directors, officers and employees. The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the ABCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors, which evoke such a conflict.

Nomination of Directors

The Board has not appointed a nominating committee. The Board determines new nominees to the Board although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board including both formal and informal discussions among the directors and officers.

Compensation

A copy of the Remuneration Committee Charter is attached as Appendix D hereto, describing the responsibilities, powers and operation of the Remuneration Committee. The Remuneration Committee Charter was amended by the Board on August 28, 2018 to make changes of a housekeeping nature. The table below lists the members of the Remuneration Committee following the Meeting and their independence:

Name	Independent
Adrian Reynolds	Yes
Susan Muir ⁽¹⁾	Yes
Sandra du Toit	Yes
Shaun Treacy	Yes

Note:

(1) Chair of Remuneration Committee.

Relevant Education and Experience

All the members of the Remuneration Committee have been involved in providing legal advice to or the financing, administration and operation of managing public companies or significant operations of private companies, which provides relevant experience to serve on the Remuneration Committee.

Other Board Committees

The Corporation has no standing committees at this time, other than the Audit Committee (as defined below).

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board. The Board through the careful selection of its members and from fostering a culture of openness has established an environment where its members are given ongoing feedback on their performance.

AUDIT COMMITTEE

National Instrument 52-110 - *Audit Committees* (“NI 52-110”) requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee (the “**Audit Committee**”) and its relationship with its independent auditor, as set forth in the following:

Audit Committee Charter

A copy of the Audit Committee Charter is attached as Appendix E hereto.

Composition of the Audit Committee

The table below lists the members of the Audit Committee and their independence and financial literacy:

Audit Committee Members	Independent	Financially Literate
Adrian Reynolds	Yes	Yes
Sandra du Toit ⁽¹⁾	Yes	Yes
Shaun Treacy ⁽¹⁾⁽²⁾	No	Yes

Notes:

- (1) Effective as of the Meeting date.
(2) Chair of Audit Committee.

Relevant Education and Experience

All the members of the Audit Committee have been involved in the financing, administration and operation of managing public companies or significant operations of private companies. All members have the ability to read, analyze, and understand the complexities surrounding the issuance of financial statements.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Pre-Approval Policies and Procedures

The Audit Committee has adopted policies and procedures for the engagement of non-audit services. The Audit Committee has delegated to its members the authority to pre-approve non-audit services, provided, however, that such pre-approval of non-audit services shall be presented to the Audit Committee at its first scheduled meeting following any such pre-approval.

External Auditor Service Fees (by Category)

Nature of Services	Fees Paid to Auditor in Year Ended December 31, 2017 (US\$)	Fees Paid to Auditor in Year Ended December 31, 2016 (US\$)
Audit Fees ⁽¹⁾	31,625	35,000
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	Nil	Nil
All Other Fees ⁽⁴⁾	Nil	Nil
Total	31,625	35,000

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110 in respect of its reporting obligations under NI 52-110 for the year ended December 31, 2017. This exempts a "venture issuer" (as defined in NI 52-110) from the requirement to comply with Part 3 "Composition of the Audit Committee" and Part 5 "Reporting Obligations" of NI 52-110.

OTHER MATTERS

Management of the Corporation is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter comes before the Meeting properly it is the intention of the persons

named in the enclosed Proxy Form to vote the Common Shares represented thereby in accordance with their best judgement on such matters.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis ("MD&A") by sending a request to the office of the Corporation. Financial information is provided in the Corporation's annual financial statements and MD&A for the financial year ended December 31, 2017.

APPENDIX “A”
MKANGO RESOURCES LTD.
STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

The purpose of the Plan is to assist Mkango Resources Ltd. (the “**Corporation**”) in attracting, retaining and motivating directors, key officers, employees and consultants of the Corporation and of its subsidiaries and to closely align the personal interests of such directors, officers, employees and consultants with those of the shareholders by providing them with the opportunity, through options, to acquire common shares of the Corporation.

2. IMPLEMENTATION

The grant and exercise of any options under the Plan are subject to compliance with the applicable requirements of each stock exchange on which the shares of the Corporation are or become listed and of any governmental authority or regulatory body to which the Corporation is subject.

3. ADMINISTRATION

The Plan shall be administered by the board of directors of the Corporation which shall, without limitation, have full and final authority in its discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to it and to make all other determinations deemed necessary or advisable for the administration of the Plan. The board of directors may delegate any or all of its authority with respect to the administration of the Plan and any or all of the rights, powers and discretions with respect to the Plan granted to it under this Plan to such committee of directors of the Corporation as the board of directors may designate. Upon any such delegation the committee of directors, as the case may be, as well as the board of directors, shall be entitled to exercise any or all of such authority, rights, powers and discretions with respect to the Plan. When used in the context of this Plan “board of directors” shall be deemed to include any committee of directors acting on behalf of the board of directors.

4. NUMBER OF SHARES UNDER PLAN

A maximum number of common shares equal to 10 percent (10%) of the issued and outstanding common shares of the Corporation, from time to time, (the “**Optioned Shares**”) shall be reserved, set aside and made available for issuance in accordance with the Plan. In no event shall options be granted, without regulatory and/or disinterested shareholder approval, whereby in any 12 month period;

- (a) any one person is granted options to purchase in excess of five percent (5%) of the then issued shares of the Corporation;
- (b) any one consultant is granted options to acquire more than two percent (2%) of the then issued shares of the Corporation; and
- (c) any Participants conducting investor relations activities, are granted options to acquire more than an aggregate of two percent (2%) of the then issued shares of the Corporation.

In addition to the foregoing, any options issued to a Participant performing investor relations activities must vest in stages over no less than twelve months with no more than one-quarter of the options vesting in any three month period.

If option rights granted to an individual under the Plan shall expire or terminate for any reason without having been exercised in respect of certain Optioned Shares, such Optioned Shares may be made available for other options to be granted under the Plan.

Other than in connection with a Qualifying Transaction, during the time that the Corporation is a CPC, the aggregate number of Common Shares issuable upon exercise of all options granted shall not exceed 10% of the Common

Shares issued and outstanding at the closing of the Corporation's initial public offering ("**Qualifying Transaction**" and "**CPC**") shall have the meanings set forth in the TSX Venture Exchange Corporate Finance Manual).

5. ELIGIBILITY

Options may be granted under the Plan to any person who is a director, officer, employee or consultant of the Corporation, or of its subsidiaries, as the board of directors may from time to time designate as a participant under the Plan (a "**Participant**"). The Corporation represents and confirms that any Participant under the Plan will be a bona fide director, officer, employees or consultant of the Corporation. Subject to the provisions of this Plan, the total number of Optioned Shares to be made available under the Plan and to each Participant, the time or times and price or prices at which options shall be granted, the time or times at which such options are exercisable, and any conditions or restrictions on the exercise of options, shall be in the full and final discretion of the board of directors.

6. SHAREHOLDER APPROVAL

The Corporation will be required to obtain disinterested shareholder approval for the reduction in the exercise price of Optioned Shares where the Optionee is an insider.

The Corporation must obtain disinterested Shareholder approval of the Plan if the Plan, together with all of the Corporation's previously established and outstanding stock option plans or grants, could result at any time in:

- (a) the number of shares reserved for issuance under stock options granted to Insiders exceeding 10% of the issued shares;
- (b) the grant to Insiders, within a 12 month period, of a number of options exceeding 10% of the issued shares;
- (c) issuance to any one Participant, within a 12 month period, of a number of shares exceeding 5% of the issued shares.

("Insider" shall have the meanings set forth in the TSX Venture Exchange Corporate Finance Manual).

7. TERMS AND CONDITIONS

- (a) Exercise Price

The exercise price to each Participant for each Optioned Share shall be as determined by the board of directors, but shall in no event be less than the market price of the common shares of the Corporation on the TSX Venture Exchange, or such other exchange on which the common shares are listed at the time of the grant of the option, less the maximum discount permitted under the policies of the TSX Venture Exchange or such other exchange on which the common shares are listed, or such other price as may be agreed to by the Corporation and approved by the TSX Venture Exchange or such other exchange on which the common shares are listed.

- (b) Option Agreement

All options shall be granted under the Plan by means of an agreement between the Corporation and each Participant (the "**Option Agreement**") in the form as may be approved by the board of directors, such approval to be conclusively evidenced by the execution of the Option Agreement by any one director or officer of the Corporation.

- (c) Length of Grant

All options granted under the Plan shall expire not later than the tenth anniversary of the date such Options were granted or such other length of time as may be permitted under the policies of the stock exchange on which the common shares are listed.

(d) Non-Assignability of Options

An option granted under the Plan shall not be transferable or assignable (whether absolutely or by way of mortgage, pledge or other charge) by a Participant other than by will or other testamentary instrument or the laws of succession and may be exercisable during the lifetime of the Participant and only by the Participant.

(e) Right to Postpone Exercise

Each Participant, upon becoming entitled to exercise the option in respect of any Optioned Shares in accordance with the Option Agreement, shall be entitled to exercise the option to purchase such Optioned Shares at any time prior to the expiration or other termination of the Option Agreement.

(f) Exercise and Payment

Any option granted under the Plan may be exercised by a Participant or the legal representative of a Participant giving notice to the Corporation specifying the number of shares in respect of which such option is being exercised, accompanied by payment (by cash or certified cheque payable to the Corporation) of the entire exercise price (determined in accordance with the Option Agreement) for the number of shares specified in the notice. Upon any such exercise of an option by a Participant the Corporation shall cause the transfer agent and registrar of the common shares of the Corporation to promptly deliver to such Participant or the legal representative of such Participant, as the case may be, a share certificate in the name of such Participant or the legal representative of such Participant, as the case may be, representing the number of shares specified in the notice.

(g) Rights of Participants

The Participants shall have no rights as shareholders in respect of any of the Optioned Shares (including, without limitation, any right to receive dividends or other distributions, voting rights, warrants or rights under any rights offering) other than Optioned Shares in respect of which Participants have exercised their option to purchase and which have been issued by the Corporation.

(h) Third Party Offer

If, at any time when an option granted under the Plan remains unexercised with respect to any Optioned Shares, an Offer to purchase all of the common shares of the Corporation is made by a third party, the Corporation shall use its best efforts to bring such offer to the attention of the Participants as soon as practicable and the Corporation may, at its option, require the acceleration of the time for the exercise of the option rights granted under the Plan and of the time for the fulfillment of any conditions or restrictions on such exercise.

(i) Alterations in Shares

In the event of a share dividend, share split, issuance of shares or instruments convertible into common shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of shares, recapitalization, amalgamation, merger, consolidation, corporate arrangement, reorganization, liquidation or the like of or by the Corporation, the board of directors may make such adjustment, if any, of the number of Optioned Shares, or of the exercise price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to Participants under the Plan. In any such event, the maximum number of shares available under the Plan may be appropriately adjusted by the board of directors. If because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of shares in the Corporation of those in another company is imminent, the board of directors may, in a fair and equitable manner, determine the manner in which all unexercised option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Participants and of the time for the fulfillment of any conditions or restrictions on such exercise. All determinations of the board of directors under this paragraph 6(i) shall be full and final.

(j) Termination

Subject to paragraph 6(k), if a Participant is dismissed as an officer, employee or consultant by the Corporation or by one of its subsidiaries for cause, all unexercised option rights of that Participant under the Plan shall terminate immediately upon such dismissal, notwithstanding the original term of the option granted to such Participant under the Plan.

(k) Disability or Retirement

Notwithstanding paragraph 6(j), if a Participant ceases to be an officer, employee or consultant of the Corporation or of one of its subsidiaries as a result of:

- (i) disability or illness preventing the Participant from performing the duties routinely performed by such Participant;
- (ii) retirement at the normal retirement age prescribed by the Corporation pension plan;
- (iii) resignation; or
- (iv) such other circumstances as may be approved by the board of directors;

such Participant shall have the right for a period not exceeding 90 days from the date of ceasing to be an officer, employee, consultant or director (or, if earlier, until the expiry date of the option rights of the Participant pursuant to the terms of the Option Agreement) to exercise the option under the Plan with respect to all Optioned Shares of such Participant to the extent they were exercisable on the date of ceasing to be an officer, employee, consultant or director. Upon the expiration of the 90 days period (or such earlier expiry date as provided for in the Option Agreement) all unexercised option rights of that Participant shall immediately terminate and shall lapse notwithstanding the original term of the option granted to such Participant under the Plan. In the event that the Participant is engaged in investor relations activities, the 90 days period is abbreviated to 30 days.

(l) Deceased Participant

In the event of the death of any Participant, the legal representatives of the deceased Participant shall have the right for a period not exceeding one year from the date of death of the deceased Participant (or such shorter period being, until the expiry date of the option rights of the Participant pursuant to the terms of the Option Agreement) to exercise the deceased Participant's option with respect to all of the Optioned Shares of the deceased Participant to the extent they were exercisable on the date of death. Upon the expiration of such period all unexercised option rights of the deceased Participant shall immediately terminate, notwithstanding the original term of the option granted to the deceased Participant under the Plan.

8. AMENDMENT AND DISCONTINUANCE OF PLAN

The board of directors may from time to time amend or revise the terms of the Plan or may discontinue the Plan at any time, provided that no such action may in any manner adversely affect the rights under any options earlier granted to a Participant under the Plan without the consent of that Participant.

The board of directors may amend the terms of the Plan only where prior TSX Venture Exchange acceptance is obtained and where the following requirements are met:

- (a) if the Participant is an Insider of the Corporation at the time of the amendment, the Corporation obtains disinterested Shareholder approval (as described in section 6 above);
- (b) (if the option exercise price is amended, at least six months have elapsed since the later of the date of commencement of the term, the date the Corporation's shares commenced trading, or the date the option exercise price was last amended;
- (c) if the option price is amended to the Discounted Market Price, the Exchange Hold Period is applied from the date of the amendment (and for more certainty where the option price is amended to the Market Price, the Exchange Hold Period will not apply); and

- (d) if the length of the stock option term is amended, any extension of the length of the term of the stock option is treated as a grant of a new option, and therefore also complies with pricing and other requirements of TSX Venture exchange Policy 4.4 *Incentive Stock Options*. The term of an option cannot be extended so that the effective term of the option exceeds 10 years in total. An option must be outstanding for at least one year before the Corporation can extend its term.

(“**Discounted Market Price**”, “**Market Price**” and “**Exchange Hold Period**” shall have the meanings set forth in the TSX Venture Exchange Corporate Finance Manual).

9. NO FURTHER RIGHTS

Nothing contained in the Plan nor in any option granted under this Plan shall give any participant or any other person, any interest or title in or to any common shares of the Corporation or any rights as a shareholder of the Corporation or any other legal or equitable right against the Corporation other than as set out in the Plan and pursuant to the exercise of any option, nor shall it confer upon the Participants any right to continue as an employee, officer, consultant or director of the Corporation or of its subsidiaries.

10. COMPLIANCE WITH LAWS

The obligations of the Corporation to sell common shares and deliver share certificates under the Plan are subject to such compliance by the Corporation and the Participants as the Corporation deems necessary or advisable with all applicable corporate and securities laws, rules and regulations.

11. GENDER

The use of the masculine gender in this Plan shall be deemed to include or be replaced by the feminine gender where appropriate to the particular Participant.

APPENDIX "B"
MKANGO RESOURCES LTD.
ARTICLES OF CONTINUANCE

[See attached]



Telephone: 1 877 526-1526
www.bcregistryservices.gov.bc.ca

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the Business Corporations Act requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Corporations Act for the purposes of assessment.

If you are continuing a company into BC and want the BC incorporation number as its name, you will need to file this form on paper. Complete this form and mail to the Corporate Registry, along with a letter from the corporation's home jurisdiction authorizing the continuation in.

A NAME OF COMPANY – Choose one of the following:

- The name Mkango Resources Ltd. is the name reserved for the foreign corporation to be continued in. The name reservation number is: NR9969383, OR
The foreign corporation is to be continued in with a name created by adding "B.C. Ltd." after the incorporation number of the company.

B FOREIGN CORPORATION'S CURRENT JURISDICTION

- 1. Corporate number assigned by the foreign corporation's jurisdiction 2013624792
2. Corporation's name in the foreign corporation's jurisdiction Mkango Resources Ltd.
3. Foreign corporation's date of incorporation or the most recent date of amalgamation or continuation 2007/11/13
4. Foreign corporation's jurisdiction of incorporation, amalgamation or continuation Alberta

C AUTHORIZATION FOR CONTINUATION

Authorization for the continuation from the foreign corporation's jurisdiction is:

- ATTACHED ALREADY FILED

D REGISTRATION AS AN EXTRAPROVINCIAL COMPANY

Is the foreign corporation currently registered in BC as an extraprovincial company?

- YES NO

If YES, enter the BC registration number and name of the extraprovincial company below:

Extraprovincial Registration Number in BC
Extraprovincial Company Name in BC
(Including assumed name, if any, approved for use in BC)

E CERTIFIED CORRECT – I have read this form and found it to be correct.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION

SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION

DATE SIGNED YYYY / MM / DD

X

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item A of the Continuation Application.

Mkango Resources Ltd.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME
-----------	------------	-------------

See attached Schedule

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
LAST NAME	FIRST NAME	MIDDLE NAME	

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
LAST NAME	FIRST NAME	MIDDLE NAME	

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
LAST NAME	FIRST NAME	MIDDLE NAME	

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
LAST NAME	FIRST NAME	MIDDLE NAME	

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE	PROVINCE	POSTAL CODE
2900 - 550 Burrard Street, Vancouver	BC	V6C 0A3
MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE	PROVINCE	POSTAL CODE
2900 - 550 Burrard Street, Vancouver	BC	V6C 0A3

E RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE	PROVINCE	POSTAL CODE
2900 - 550 Burrard Street, Vancouver	BC	V6C 0A3
MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE	PROVINCE	POSTAL CODE
2900 - 550 Burrard Street, Vancouver	BC	V6C 0A3

F AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number.		Kind of shares of this class or series of shares.			Are there special rights or restrictions attached to the shares of this class or series of shares?	
	THERE IS NO MAXIMUM (✓)	MAXIMUM NUMBER OF SHARES AUTHORIZED	WITHOUT PAR VALUE (✓)	WITH A PAR VALUE OF (\$)	Type of currency	YES (✓)	NO (✓)
Common	✓		✓			✓	
Preferred	✓		✓			✓	

Telephone: 1 877 526-1526
www.bcregistryservices.gov.bc.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Location: 200 - 940 Blanshard Street
Victoria BC V8W 3E6

INSTRUCTIONS:

Please type or print clearly in block letters.

The Province of British Columbia has entered into a partnership with the Canada Revenue Agency (CRA) to use the national Business Number (BN) as a convenient way for corporations to identify themselves when communicating with federal and provincial governments.

The Corporate Registry, under the authority of the *Business Number Act*, is therefore collecting the BN from both corporations applying for registration in British Columbia and corporations currently registered in British Columbia. This will allow corporations to use their BN as an identifier the next time they communicate with the Corporate Registry.

You will already have a BN if you have been incorporated federally or if you are incorporated in another Canadian jurisdiction.

You may have also received a BN from CRA if you:

- collect GST/HST;
- have employees;
- import or export goods to or from Canada;
- operate a taxi or limo service;
- are registered with WorkSafeBC, and/or;
- are registered to do business in another Canadian jurisdiction

Freedom of Information and Protection of Privacy Act (FOIPPA):

Personal information provided on this form is collected, used and disclosed under the authority of the *FOIPPA* and the *Business Number Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Executive Coordinator of the BC Registry Services at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

COMPLETE ITEM A OR B

A BUSINESS NUMBER

Your **Business Number** (e.g., GST/HST account) would be displayed as a 15 character identifier, for example: **82123 5679 RT 0001**. The first nine numbers uniquely identify your business – it's those numbers we need.

Please enter the first 9 digits here:

B DIRECTOR NAME

If you do not have a Business Number please enter the name of a director of your corporation (as per CRA requirements) so that we can request one for you. The director's name is confidential information and is collected under the authority of the *Business Number Act*.

LAST NAME

FIRST NAME

Linfield

Derek

APPENDIX "C"
MKANGO RESOURCES LTD.
BC ARTICLES

[See attached]

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

ARTICLES

OF

MKANGO RESOURCES LTD.

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

ARTICLES
OF
MKANGO RESOURCES LTD.
(the “Company”)

Incorporation Number _____

Translation of Name (if any) _____

PART 1
INTERPRETATION

1.1 Definitions. Without limiting Article 1.2, in these articles, unless the context requires otherwise:

“adjourned meeting” means the meeting to which a meeting is adjourned under Articles 11.8 or 11.12;

“board”, “board of directors” and “directors” mean the directors or sole director of the Company for the time being and include a committee or other delegate, direct or indirect, of the directors or director;

“*Business Corporations Act*” means the *Business Corporations Act*, S.B.C. 2002, c.57 as amended, restated or replaced from time to time, and includes its regulations;

“*Interpretation Act*” means the *Interpretation Act*, R.S.B.C. 1996, c. 238;

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

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

1.2 *Business Corporations Act* Definitions Apply. The definitions in the *Business Corporations Act* apply to these articles.

1.3 *Interpretation Act* Applies. The *Interpretation Act* applies to the interpretation of these articles as if these articles were an enactment.

1.4 Conflict in Definitions. 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.

1.5 Conflict Between Articles and Legislation. If there is a conflict between these articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2
SHARES AND SHARE CERTIFICATES

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

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

2.3 Right to Share Certificate or Acknowledgement. Each shareholder is entitled, without charge, to:

- (a) one certificate representing the share or shares of each class or series of shares registered in the shareholder's name; or
- (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate,

provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement and delivery of a share certificate or acknowledgment for a share to one of several joint shareholders or to one of the shareholder's duly authorized agents will be sufficient delivery to all. The Company may refuse to register more than three persons as joint holders of a share.

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

2.5 Replacement of Worn Out or Defaced Certificate. If the board of directors, or any officer or agent designated by the directors, is satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit:

- (a) order the certificate to be cancelled; and
- (b) issue a replacement share certificate.

2.6 Replacement of Lost, Stolen or Destroyed Certificate. If a share certificate is lost, stolen or destroyed, a replacement share certificate must be issued to the person entitled to that certificate if the board of directors, or any officer or agent designated by the directors, receives:

- (a) proof satisfactory to them that the certificate is lost, stolen or destroyed; and
- (b) any indemnity the board of directors, or any officer or agent designated by the directors, considers 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 certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request. The Company may refuse to issue a certificate with respect to a fraction of a share.

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.

PART 3 ISSUE OF SHARES

3.1 Directors Authorized to Issue Shares. Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the directors may issue, allot, sell or otherwise dispose of the unissued

shares, and previously issued shares that are subject to reissuance or held by the Company, whether with par value or without par value, 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 may be issued) that the directors, in their absolute discretion, 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 directors may, at any time, authorize the Company to 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 directors may authorize the Company to 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; or
 - (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 Warrants, Options and Rights. Subject to the *Business Corporations Act*, the Company may issue warrants, options and rights upon such terms and conditions as the directors determine, which 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.

3.6 Fractional Shares. A person holding a fractional share does not have, in relation to the fractional share, the rights of a shareholder in proportion to the fraction of the share held.

PART 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.

4.2 Branch Registers. In addition to the central securities register, the Company may maintain branch securities registers.

4.3 Appointment of Agents. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register and any branch securities registers. 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.

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

PART 5 SHARE TRANSFERS

5.1 Recording or Registering Transfer. Except to the extent that the *Business Corporations Act* otherwise provides, a transfer of a share of the Company must not be recorded or 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, if no number is specified, all the shares represented by share certificates 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 share certificate 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 determined by the directors.

PART 6 TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death. In the case of the death of a shareholder, the legal personal representative, 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.

PART 7 PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares. Subject to the special rights and restrictions attached to any class or series of shares 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 on 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.

PART 8 BORROWING POWERS

8.1 Powers of Directors. The Company, if authorized by the directors, may from time to time:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors 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;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future undertaking of the Company.

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

8.3 Delegation by Directors. For greater certainty, the powers of the directors under this Part 8 may be exercised by a committee or other delegate, direct or indirect, of the board authorized to exercise such powers.

PART 9 ALTERATIONS

9.1 Alteration of Authorized Share Structure. Subject to Article 9.2 and the *Business Corporations Act*, the Company may by special resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares is allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares is allotted or issued, increase the par value of those shares;
- (e) 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;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions. Subject to the *Business Corporations Act*, the Company may by special 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 special resolution authorize an alteration of its Notice of Articles in order to change its name.

9.4 Alterations to Articles. 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 special resolution alter these Articles.

9.5 Alterations to Notice of Articles. 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 special resolution alter its Notice of Articles.

PART 10 MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings. Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting, for the first time, not more than 18

months after the date on which it was recognized, and after its first annual reference date, at least once in each calendar year and not more than 15 months after the annual reference date for the preceding calendar year at such date, time and location as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting. If all of 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 Shareholder Meetings. The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Shareholder Meetings. The directors may, by director's resolution, approve a location outside of British Columbia for the holding of a meeting of shareholders.

10.5 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; and
- (b) otherwise, 10 days.

10.6 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; and
- (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.

10.7 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.

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

10.9 Notice of Special Business at Meetings of Shareholders. 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 the shareholders:
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
 - (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

**PART 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

11.1 Special Business. At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of, or voting at, the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
 - (viii) 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 Meetings by Telephone or Other Communications Medium. A shareholder or proxy holder who is entitled to participate in, including vote at, a meeting of shareholders may participate in person or by telephone or other communications medium if all shareholders and proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A shareholder who participates in a meeting in a manner contemplated by this Article 11.5 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. Nothing in this Article 11.5 obligates the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders.

11.6 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.

11.7 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.

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

- (a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved; and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place, or at such other date, time or location as the chair specifies on the adjournment.

11.9 Lack of Quorum at Succeeding Meeting. If, at the meeting to which the first meeting referred to in Article 11.8(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.

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

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

11.11 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.

11.12 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.

11.13 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.

11.14 Decisions by Show of Hands or Poll. Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands 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.

11.15 Declaration of Result. The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.16 Motion Need Not Be Seconded. No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

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

11.18 Manner of Taking a Poll. Subject to Article 11.19, 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 a resolution of and passed at the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.19 Demand for a Poll on Adjournment. A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

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

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

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

11.23 Demand for a Poll Not to Prevent Continuation 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.

11.24 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 statutory business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12
VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares. Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares 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 at the meeting has one vote, and
- (b) on a poll, every shareholder entitled to vote 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 the legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Shareholders. 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 is specified, two 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; and
- (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, Articles 12.7 to 12.15 apply to the Company only insofar as they are not inconsistent with any securities legislation of any province or territory of Canada applicable to the Company.

12.7 Appointment of Proxy Holder. 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;
- (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; or
- (d) the Company is a public company.

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 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 this ____ day of _____, _____.

Signature of shareholder

Name of shareholder—printed

12.13 Revocation of Proxy. Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

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

12.14 Revocation of Proxy Must Be Signed. An instrument referred to in Article 12.13 must be signed as follows:

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

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

PART 13 DIRECTORS

13.1 Number of Directors. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) if the Company is a public company, the greater of three and the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4;

- (b) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (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(a)(i) or 13.1(b)(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 his or her capacity as director 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 may authorize the Company to pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14 ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting. At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (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*; or
- (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.

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 directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (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.

PART 15 POWERS AND DUTIES OF DIRECTORS

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

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

PART 16 DISCLOSURE OF INTEREST OF DIRECTORS

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

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

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

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

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

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

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

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

PART 17 PROCEEDINGS OF DIRECTORS

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

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

17.3 Chair of Meetings. Meetings of directors are to be chaired by:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

- (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
- (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

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

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

17.6 Notice of Meetings. Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required. It is not necessary to give notice of a meeting of the directors to a director if:

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

17.8 Meeting Valid Despite Failure to Give Notice. The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, does not invalidate any proceedings at that meeting.

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

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

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

17.12 Consent Resolutions in Writing. A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or, if no date is stated in the resolution, on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the

directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 18
EXECUTIVE AND OTHER COMMITTEES

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

- (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.

18.2 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 board, and
 - (iv) the power to appoint or remove officers appointed by the board; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

18.3 Obligations of Committee. Any committee appointed under Articles 18.1 or 18.2, 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 as the directors may require.

18.4 Powers of Board. The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

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

18.5 Committee Meetings. Subject to Article 18.3(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 18.1 or 18.2:

- (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 the meeting is elected, or if at any meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of a directors' 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 has no second or casting vote.

PART 19 OFFICERS

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

19.2 Functions, Duties and Powers of Officers. The directors may, for each officer:

- (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.

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

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

PART 20 INDEMNIFICATION

20.1 Definitions. In this Part 20:

- (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 of the Company or an affiliate 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 of the Company or an affiliate 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*.

20.2 Mandatory Indemnification of Directors and Former Directors. Subject to the *Business Corporations Act*, the Company must indemnify and advance expenses of a director or former 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 is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons. Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with *Business Corporations Act*. The failure of a director or former director of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

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

- (a) is or was a director, officer, employee or agent of the Company;
- (b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

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

PART 21 DIVIDENDS

21.1 Payment of Dividends Subject to Special Rights. The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

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

21.3 No Notice Required. The directors need not give notice to any shareholder of any declaration under Article 21.2.

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

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

21.6 Settlement of Difficulties.If any difficulty arises in regard to a distribution under Article 21.5, 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.

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

21.8 Dividends to be Paid in Accordance with Number of Shares.All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

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

21.10 Dividend Bears No Interest.No dividend bears interest against the Company.

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

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

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

PART 22 DOCUMENTS, RECORDS AND REPORTS

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

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

22.3 Remuneration of Auditors.The remuneration of the auditors, if any, shall be set by the directors regardless of whether the auditor is appointed by the shareholders, by the directors or otherwise. For greater

certainly, the directors may delegate to the audit committee or other committee the power to set the remuneration of the auditors.

**PART 23
NOTICES**

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

- (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, or a reference providing the intended recipient with immediate access to the record, by electronic communication to an address provided by the intended recipient for the sending of that record or records of that class;
- (e) sending the record by any method of transmitting legibly recorded messages, including without limitation by digital medium, magnetic medium, optical medium, mechanical reproduction or graphic imaging, to an address provided by the intended recipient for the sending of that record or records of that class; or
- (f) physical delivery to the intended recipient.

23.2 Deemed Receipt. A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during statutory business hours on the day which statutory business hours next occur if not given during such hours on any day.

23.3 Certificate of Sending. A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record

was addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

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

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

- (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.

PART 24 SEAL

24.1 Who May Attest Seal. Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or 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 resolution of the directors.

24.2 Sealing Copies. For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer.

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

PART 25 PROHIBITIONS

25.1 Definitions. In this Part 25:

- (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 are continuing.

25.2 Application. Article 25.3 does not apply to the Company if and for so long as it is a public company.

25.3 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.

PART 26 SPECIAL RIGHTS AND RESTRICTIONS

26.1 Special Rights and Restrictions. The Common and Preferred shares shall have attached to them the special rights and restrictions set forth in this Part.

26.2 Common Share Rights. The Common shares, as a class, shall have attached to them the following special rights and restrictions:

- (a) **Voting:** The holders of the Common shares shall be entitled to receive notice and to attend all meetings of the shareholders of the Company and to one vote in respect of each Common share held at all such meetings.
- (b) **Dividends:** Subject to the rights of the holders of the Preferred shares and other classes of shares ranking senior to the Common shares, the holders of the Common shares shall be entitled to receive and participate rateably in any dividends declared by the board of directors of the Company.
- (c) **Liquidation, Dissolution or Winding-Up:** Subject to the rights of the holders of the Preferred shares and any other class of shares ranking senior to the Common shares, in the event of the liquidation, dissolution or winding-up of the Company or other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Common shares shall participate rateably in the distribution of the assets of the Company.

26.3 Preferred Share Rights. The Preferred shares, as a class, shall have attached to them the following special rights and restrictions:

- (a) **Issuance in Series:** The Preferred shares may be issued from time to time in one or more series and, subject to these Articles, the board of directors is authorized to fix, from time to time, before issuance, the number of shares in and the designation, rights and restrictions attaching to the shares of each series of Preferred shares.
- (b) **Ranking of Preferred Shares:** The Preferred shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs, rank equally with the Preferred shares of every other series and be entitled to preference over the Common shares and the shares of any other class ranking junior to the Preferred shares. The Preferred shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Common shares and the shares of any other class ranking junior to the Preferred shares, or as may be fixed in accordance with Article 26.3(a).
- (c) **Approval by Holders of Preferred Shares:** The approval by the holders of the Preferred shares with respect to any and all matters referred to herein may, subject to the provisions of the *Business Corporations Act* (British Columbia), be given in writing by the holders of all the Preferred shares for the first time being outstanding or by resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at a meeting of the holders of the Preferred shares duly called and held for the purpose of considering the subject matter of such resolution and at which meeting holders of not less than a majority of all Preferred shares then outstanding are not present in person or representing by proxy within 30 minutes after the time fixed for the meeting, then the meeting shall be adjourned to such date, being not less than 15 days later, and to such time and place, as may be fixed by the chairman of such meeting. At such adjourned meeting the holders of Preferred shares present in person or represented by proxy, whether or not they hold a majority of all Preferred shares then outstanding, may transact the business for which the meeting was originally called, and a resolution duly passed and carried by not less than two-thirds of the votes cast on a poll at such adjourned meeting shall constitute the approval of the holders of the Preferred shares previously mentioned. Notice of any meeting of the holders of the Preferred shares shall be given not less than 21 days nor more than 50 days prior to the date fixed for such meeting and shall specify in general terms the purpose for which the meeting is called. No notice of any adjourned meeting need be given unless such meeting is adjourned by one or more adjournments for an aggregate of 30 days or more from the date of the original meeting, in which case notice of the adjournment shall be given in the manner prescribed for the original meeting as aforesaid. The formalities to be observed with respect to the giving of notice of any such original meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the Articles of the Company with respect to meetings of the shareholders.

PART 27
REQUIREMENTS OF AIM RULES

27.1 Shareholder Disclosure. Subject to the *Business Corporations Act* (British Columbia), for so long as the shares of the Company are listed for trading on the AIM market of the London Stock Exchange (“**AIM**”) or until such time as it shall no longer be a requirement under the AIM Rules for Companies published by the London Stock Exchange from time to time (or any successor rule) (the “**AIM Rules**”), all shareholders interested in three percent (3%) or more of the Company’s shares shall notify the Company of their holdings (as such term is defined in the AIM Rules) of shares (including all legal and beneficial interests, direct or indirect, of such shareholder, including all positions in “financial instruments” (as such term is defined in the AIM Rules) and of any subsequent relevant changes to their holdings (being each one percent (1%) increment increase or decrease whilst the shareholder’s holdings (as defined above) are above the three percent (3%) threshold) so that these disclosures can be properly notified to the AIM market.

27.2 Delisting From AIM. Subject to the *Business Corporations Act* (British Columbia), for so long as the shares of the Company are listed for trading on AIM or until such time as it shall no longer be a requirement under the AIM Rules, cancellation of the admission to trading of the Company's shares on AIM shall be conditional upon the consent of not less than seventy-five percent (75%) of votes cast by the shareholders at a duly called meeting thereof (save where the London Stock Exchange agrees that such shareholder consent is not required) and the Company will observe the notification, timing and other requirements of Rule 41 of the AIM Rules in connection with any such proposed cancellation.

Dated _____, 2018.

FULL NAME AND SIGNATURE OF DIRECTOR

Name:

TABLE OF CONTENTS

	Page
Part 1 INTERPRETATION.....	3
1.1 Definitions.....	3
1.2 <i>Business Corporations Act</i> Definitions Apply.....	3
1.3 <i>Interpretation Act</i> Applies.....	3
1.4 Conflict in Definitions.....	3
1.5 Conflict Between Articles and Legislation.....	3
Part 2 SHARES AND SHARE CERTIFICATES.....	3
2.1 Authorized Share Structure.....	3
2.2 Form of Share Certificate.....	3
2.3 Right to Share Certificate or Acknowledgement.....	3
2.4 Sending of Share Certificate.....	4
2.5 Replacement of Worn Out or Defaced Certificate.....	4
2.6 Replacement of Lost, Stolen or Destroyed Certificate.....	4
2.7 Splitting Share Certificates.....	4
2.8 Certificate Fee.....	4
2.9 Recognition of Trusts.....	4
Part 3 ISSUE OF SHARES.....	4
3.1 Directors Authorized to Issue Shares.....	4
3.2 Commissions and Discounts.....	5
3.3 Brokerage.....	5
3.4 Conditions of Issue.....	5
3.5 Warrants, Options and Rights.....	5
3.6 Fractional Shares.....	5
Part 4 SHARE REGISTERS.....	5
4.1 Central Securities Register.....	5
4.2 Branch Registers.....	5
4.3 Appointment of Agents.....	5
4.4 Closing Register.....	5
Part 5 SHARE TRANSFERS.....	6
5.1 Recording or Registering Transfer.....	6
5.2 Form of Instrument of Transfer.....	6
5.3 Transferor Remains Shareholder.....	6
5.4 Signing of Instrument of Transfer.....	6
5.5 Enquiry as to Title Not Required.....	6
5.6 Transfer Fee.....	6
Part 6 TRANSMISSION OF SHARES.....	6
6.1 Legal Personal Representative Recognized on Death.....	6
6.2 Rights of Legal Personal Representative.....	7
Part 7 PURCHASE OF SHARES.....	7
7.1 Company Authorized to Purchase Shares.....	7
7.2 Purchase When Insolvent.....	7
7.3 Sale and Voting of Purchased Shares.....	7
Part 8 BORROWING POWERS.....	7
8.1 Powers of Directors.....	7
8.2 Terms of Debt Instruments.....	7
8.3 Delegation by Directors.....	7
Part 9 ALTERATIONS.....	8
9.1 Alteration of Authorized Share Structure.....	8
9.2 Special Rights and Restrictions.....	8
9.3 Change of Name.....	8
9.4 Alterations to Articles.....	8
9.5 Alterations to Notice of Articles.....	8
Part 10 MEETINGS OF SHAREHOLDERS.....	8

10.1	Annual General Meetings.....	8
10.2	Resolution Instead of Annual General Meeting.....	9
10.3	Calling of Shareholder Meetings.....	9
10.4	Location of Shareholder Meetings.....	9
10.5	Notice for Meetings of Shareholders.....	9
10.6	Record Date for Notice.....	9
10.7	Record Date for Voting.....	9
10.8	Failure to Give Notice and Waiver of Notice.....	9
10.9	Notice of Special Business at Meetings of Shareholders.....	9
Part 11	PROCEEDINGS AT MEETINGS OF SHAREHOLDERS.....	10
11.1	Special Business.....	10
11.2	Special Majority.....	10
11.3	Quorum.....	10
11.4	One Shareholder May Constitute Quorum.....	10
11.5	Meetings by Telephone or Other Communications Medium.....	11
11.6	Other Persons May Attend.....	11
11.7	Requirement of Quorum.....	11
11.8	Lack of Quorum.....	11
11.9	Lack of Quorum at Succeeding Meeting.....	11
11.10	Chair.....	11
11.11	Selection of Alternate Chair.....	11
11.12	Adjournments.....	11
11.13	Notice of Adjourned Meeting.....	11
11.14	Decisions by Show of Hands or Poll.....	12
11.15	Declaration of Result.....	12
11.16	Motion Need Not Be Seconded.....	12
11.17	Casting Vote.....	12
11.18	Manner of Taking a Poll.....	12
11.19	Demand for a Poll on Adjournment.....	12
11.20	Chair Must Resolve Dispute.....	12
11.21	Casting of Votes.....	12
11.22	Demand for Poll.....	12
11.23	Demand for a Poll Not to Prevent Continuation of Meeting.....	12
11.24	Retention of Ballots and Proxies.....	12
Part 12	VOTES OF SHAREHOLDERS.....	13
12.1	Number of Votes by Shareholder or by Shares.....	13
12.2	Votes of Persons in Representative Capacity.....	13
12.3	Votes by Joint Shareholders.....	13
12.4	Legal Personal Representatives as Joint Shareholders.....	13
12.5	Representative of a Corporate Shareholder.....	13
12.6	Proxy Provisions Do Not Apply to All Companies.....	14
12.7	Appointment of Proxy Holder.....	14
12.8	Alternate Proxy Holders.....	14
12.9	When Proxy Holder Need Not Be Shareholder.....	14
12.10	Deposit of Proxy.....	14
12.11	Validity of Proxy Vote.....	14
12.12	Form of Proxy.....	15
12.13	Revocation of Proxy.....	15
12.14	Revocation of Proxy Must Be Signed.....	15
12.15	Production of Evidence of Authority to Vote.....	15
Part 13	DIRECTORS.....	15
13.1	Number of Directors.....	15
13.2	Change in Number of Directors.....	16
13.3	Directors' Acts Valid Despite Vacancy.....	16
13.4	Qualifications of Directors.....	16
13.5	Remuneration of Directors.....	16

13.6	Reimbursement of Expenses of Directors	16
13.7	Special Remuneration for Directors	16
13.8	Gratuity, Pension or Allowance on Retirement of Director	16
Part 14	ELECTION AND REMOVAL OF DIRECTORS.....	16
14.1	Election at Annual General Meeting.....	16
14.2	Consent to be a Director.....	17
14.3	Failure to Elect or Appoint Directors	17
14.4	Places of Retiring Directors Not Filled.....	17
14.5	Directors May Fill Casual Vacancies	17
14.6	Remaining Directors Power to Act	17
14.7	Shareholders May Fill Vacancies.....	17
14.8	Additional Directors	17
14.9	Ceasing to be a Director.....	18
14.10	Removal of Director by Shareholders.....	18
14.11	Removal of Director by Directors	18
Part 15	POWERS AND DUTIES OF DIRECTORS	18
15.1	Powers of Management	18
15.2	Appointment of Attorney of Company	18
Part 16	DISCLOSURE OF INTEREST OF DIRECTORS.....	18
16.1	Obligation to Account for Profits.....	18
16.2	Restrictions on Voting by Reason of Interest.....	19
16.3	Interested Director Counted in Quorum	19
16.4	Disclosure of Conflict of Interest or Property.....	19
16.5	Director Holding Other Office in the Company	19
16.6	No Disqualification	19
16.7	Professional Services by Director or Officer.....	19
16.8	Director or Officer in Other Corporations	19
Part 17	PROCEEDINGS OF DIRECTORS.....	19
17.1	Meetings of Directors	19
17.2	Voting at Meetings.....	19
17.3	Chair of Meetings	19
17.4	Meetings by Telephone or Other Communications Medium.....	20
17.5	Calling of Meetings.....	20
17.6	Notice of Meetings.....	20
17.7	When Notice Not Required	20
17.8	Meeting Valid Despite Failure to Give Notice.....	20
17.9	Waiver of Notice of Meetings	20
17.10	Quorum	20
17.11	Validity of Acts Where Appointment Defective.....	20
17.12	Consent Resolutions in Writing.....	20
Part 18	EXECUTIVE AND OTHER COMMITTEES.....	21
18.1	Appointment and Powers of Executive Committee	21
18.2	Appointment and Powers of Other Committees	21
18.3	Obligations of Committee.....	21
18.4	Powers of Board	21
18.5	Committee Meetings.....	22
Part 19	OFFICERS.....	22
19.1	Appointment of Officers.....	22
19.2	Functions, Duties and Powers of Officers	22
19.3	Qualifications.....	22
19.4	Remuneration.....	22
Part 20	INDEMNIFICATION	22
20.1	Definitions.....	22
20.2	Mandatory Indemnification of Directors and Former Directors	23
20.3	Indemnification of Other Persons	23
20.4	Non-Compliance with <i>Business Corporations Act</i>	23

20.5	Company May Purchase Insurance	23
Part 21	DIVIDENDS	23
21.1	Payment of Dividends Subject to Special Rights	23
21.2	Declaration of Dividends	23
21.3	No Notice Required	23
21.4	Record Date	23
21.5	Manner of Paying Dividend	24
21.6	Settlement of Difficulties	24
21.7	When Dividend Payable	24
21.8	Dividends to be Paid in Accordance with Number of Shares	24
21.9	Receipt by Joint Shareholders	24
21.10	Dividend Bears No Interest	24
21.11	Fractional Dividends	24
21.12	Payment of Dividends	24
21.13	Capitalization of Surplus	24
Part 22	DOCUMENTS, RECORDS AND REPORTS	24
22.1	Recording of Financial Affairs	24
22.2	Inspection of Accounting Records	24
22.3	Remuneration of Auditors	24
Part 23	NOTICES	25
23.1	Method of Giving Notice	25
23.2	Deemed Receipt	25
23.3	Certificate of Sending	25
23.4	Notice to Joint Shareholders	26
23.5	Notice to Trustees	26
Part 24	SEAL	26
24.1	Who May Attest Seal	26
24.2	Sealing Copies	26
24.3	Mechanical Reproduction of Seal	27
Part 25	PROHIBITIONS	27
25.1	Definitions	27
25.2	Application	27
25.3	Consent Required for Transfer of Shares or Designated Securities	27
Part 26	SPECIAL RIGHTS AND RESTRICTIONS	27
26.1	Special Rights and Restrictions	27
26.2	Common Share Rights	27
26.3	Preferred Share Rights	28
Part 27	REQUIREMENTS OF AIM RULES	29
27.1	Shareholder Disclosure	29
27.2	Delisting From AIM	29

APPENDIX "D"

MKANGO RESOURCES LTD.

REMUNERATION COMMITTEE CHARTER

1. CONSTITUTION

The Remuneration Committee (the "Committee") was constituted at a full meeting of the board of directors (the "Board") held on May 12, 2016 in accordance with the articles of the Corporation (the "Articles").

2. DUTIES AND TERMS OF REFERENCE

- 2.1 The Committee shall determine and agree with the Board the framework or broad policy for the remuneration of the Corporation's Chairman and the executive directors including pension rights and compensation payments and such other matters as set out in these terms of reference. The remuneration of non-executive directors shall be a matter for the Board or the shareholders of the Corporation (the "Shareholders") (within the limits set in the Articles). No director or senior manager shall be involved in any decisions as to their own remuneration. The Committee shall recommend and monitor the level and structure of remuneration for senior management.
- 2.2 In determining such policy, the Committee shall take into account all factors which it deems necessary including relevant legal and regulatory requirements and the provisions and recommendations of relevant guidance. The objective of such policy shall be to attract, retain and motivate the executive management of the company without paying more than necessary. The remuneration policy should be aligned to the Corporation's appetite for risk and long term strategic goals. A significant proportion of remuneration should be structured so as to link rewards to corporate and individual performance and be designed to promote the long term success of the Corporation.
- 2.3 When setting remuneration policy for directors, the Committee shall review and have regard to the pay and employment conditions across the Corporation and its subsidiaries, especially when determining salary increases.
- 2.4 The Committee shall review the ongoing appropriateness and relevance of the remuneration policy.
- 2.5 The Committee shall approve the design of, and determine targets for, any performance related pay schemes operated by the company and approve the total annual payments made under such schemes.
- 2.6 The Committee shall review the Corporation's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The Committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- 2.7 The Committee shall review the design of all share incentive plans for approval by the Board and the Shareholders. For any such plans, the Committee shall determine each year whether awards will be made, and if so, the overall amount of such awards, the amount of individual awards to executive directors, Secretary and other senior executives and the performance targets to be used.
- 2.8 The Committee shall determine the policy for, and scope of, pension arrangements for each executive director and other senior executives.
- 2.9 Within the terms of the agreed policy and in consultation with the Chairman and/or Chief Executive as appropriate, the Committee shall determine the total individual remuneration package of the chairman, each executive director, the Secretary and other senior executives including bonuses, incentive payments and share options or other share awards.
- 2.10 The Committee shall:
 - 2.10.1 ensure that contractual terms on termination and any payments made are fair to the individual and the Corporation; that failure is not rewarded; and that the duty to mitigate loss is fully recognised;

- 2.10.2 oversee any major changes in employee benefits structures throughout the company or group; and
- 2.10.3 agree the policy for authorising claims for expenses from the directors.
- 2.11 The Committee shall be exclusively responsible for establishing the selection criteria, selecting, appointing and setting the terms of reference for any remuneration consultants who advise the Committee.
- 2.12 The Committee shall obtain reliable, up-to-date information about remuneration in other companies of comparable scale. The Committee shall have full authority to appoint remuneration consultants and to commission or purchase any reports, surveys or information which it deems necessary to help it fulfil its obligations within any budgetary restraints imposed by the board.
- 2.13 The Committee shall consider such other matters as may be requested by the Board.

3. MEMBERSHIP

- 3.1 The Board shall appoint a chairman of the Committee (the “Committee Chairman”) who shall be an independent non-executive director. In the absence of the Committee chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting who would qualify under these terms of reference to be appointed to that position by the Board. The chairman of the board shall not be chairman of the Committee.
- 3.2 The members of the Committee shall be appointed by the Board in consultation with the Chairman of the remuneration committee. All of the members of the Committee should be independent non-executive directors. Appointments to the Committee shall be for periods of up to three years, which may be extended for additional three-year periods provided the members continue to be independent.
- 3.3 The Committee shall have at least two members. The chairman of the Board may also serve on the Committee as an additional member, but not the chair the Committee, if he or she was considered independent on appointment as chairman.
- 3.4 The members of the Committee can be varied at any time by a majority resolution of the existing members of the Committee save that any additional appointment must still be an independent non-executive director.
- 3.5 A duly convened meeting of the Committee in which a quorum is participating shall be competent to exercise all or any of the authorities, powers, or discretions vested in or exercisable by the Committee.

4. VOTING ARRANGEMENTS

- 4.1 Each member of the Committee shall have one vote which may be cast on matters considered at the meeting. Votes can only be cast by members attending a meeting of the Committee.
- 4.2 Each member of the Committee must, at or prior to the commencement of each meeting of the Committee, disclose to the Committee any interest that he or she has in any matter or proposal to be considered at the meeting. If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting.
- 4.3 Save where he has a personal interest, the Chairman will have a casting vote.

5. ATTENDANCE AT MEETINGS

- 5.1 The Committee will meet at least twice a year. The Committee may meet at other times during the year as requested by the Chairman of the Committee.
- 5.2 Only members of the Committee have the right to attend Committee meeting but other directors and external advisers may be invited to attend all or part of any meeting as and when appropriate.

- 5.3 The Secretary or his or her nominee shall be the secretary of the Committee and will ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

6. NOTICE OF MEETINGS

- 6.1 Meetings of the Committee shall be summoned by the secretary of the Committee at the request of any of the Chairman.
- 6.2 Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of the matters to be discussed at the meeting shall be forwarded to each member of the Committee and any other person required to attend no later than five working days before the date of the meeting. Any supporting papers shall be sent to each member of the Committee and to other attendees (as appropriate) at the same time.

7. AUTHORITY

The Committee is authorised by the Board to examine any activity within these terms of reference and is authorised to obtain, at the Corporation's expense, legal or professional advice on any matter within its terms of reference. A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. The Committee is authorised to seek any information it requires from any employee or director, and all such employees or directors will be directed to co-operate with any request made by the Committee.

8. REPORTING

The proceedings and resolutions of the Committee meetings, including the names of those present and in attendance shall be minuted by the secretary of the Committee. Draft minutes of each meeting will be circulated promptly to all members of the Committee. Once approved, the minutes of each meeting will be circulated to all other members of the Board unless, in the opinion of the Committee Chairman, it would be inappropriate to do so. The Committee Chairman shall report to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

9. GENERAL MATTERS

- 9.1 The Committee Chairman should make him or herself available at each Annual General Meeting of the company to answer questions concerning the Committee's work.
- 9.2 The Committee shall arrange for periodic reviews of its own performance and, at least once a year, review its constitution and terms of reference to ensure it is operating at maximum effectiveness, and recommend any changes it considers necessary to the Board for approval.
- 9.3 The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Secretary for assistance as required, and be provided with appropriate and timely training, both in the form of an induction programme for new members and on an on-going basis for all members
- 9.4 The Committee shall give due consideration to laws, regulations and any published guidelines or recommendations regarding the remuneration of directors of listed/non listed companies and formation and operation of share schemes as appropriate.
- 9.5 The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

- 9.6 The Committee shall ensure that provisions regarding disclosure of information, including pensions, as set out in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and the UK Corporate Governance Code, are fulfilled and produce a report of the Corporation's remuneration policy and practices to be included in the Corporation's annual report, ensuring that each year that it is put to shareholders for approval at the annual general meeting of the Corporation. If the Committee has appointed remuneration consultants, the annual report of the Corporation's remuneration policy should identify such consultants and state whether they have any other connection with the Corporation.
- 9.7 The Committee shall, through the Chairman of the Board, ensure that the Corporation maintains contact as required with its principal shareholders about remuneration.

10. AVAILABILITY OF TERMS OF REFERENCE

- 10.1 These terms of reference shall be made available on the Corporation's website.

APPENDIX “E”
MKANGO RESOURCES LTD.
AUDIT COMMITTEE CHARTER

Role and Objective

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Mkango Resources Ltd. (“**Mkango**” or the “**Corporation**”) to which the Board has delegated its responsibility for the oversight of the nature and scope of the annual audit, the oversight of management’s reporting on internal accounting standards and practices, the review (and challenge, where necessary) of financial information, accounting systems and procedures, financial reporting and financial statements and has charged the Committee with the responsibility of recommending, for approval of the Board, the audited financial statements, interim financial statements and other mandatory disclosure releases containing financial information.

The primary objectives of the Committee are as follows:

1. to assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of Mkango, including its annual and half year reports, interim management statements and preliminary results announcements and any other formal announcements relating to its financial performance, reviewing significant financial reporting issues and judgements and any other related matters;
2. to provide better communication between directors and external auditors;
3. to communicate directly with the external auditors;
4. to enhance the external auditor’s independence;
5. to increase the credibility and objectivity of financial reports; and
6. to strengthen the role of the outside directors by facilitating in depth discussions between directors on the Committee, management and external auditors.

Membership of Committee

1. The Committee will be comprised of at least three (3) directors of Mkango or such greater number as the Board may determine from time to time and each member of the Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities (in particular, as the terms independent and financially literate are used in Multilateral Instrument 52-110 Audit Committees (“MI 52-110”) unless the Board determines that the exemption contained in MI 52-110 is available and determines to rely thereon.)
2. The board of directors may from time to time designate one of the members of the Committee to be the Chair of the Committee. The Board shall determine whether and how many members of the Committee qualify as financially literate as defined by applicable law.
3. Appointments to the Committee shall be for a period of up to three years, which may be extended by additional periods of up to three years, provided the members continue to remain independent.
4. If a matter that is considered by the Committee is one where a member of the Committee, either directly or indirectly has a personal interest, that member shall not be permitted to vote at the meeting on such matter.

Mandate and Responsibilities of Committee

It is the responsibility of the Committee to:

1. To review and update the charter at least annually.
2. Oversee the work of the external auditors, including the resolution of any disagreements between management and the external auditors regarding financial reporting.

3. Satisfy itself on behalf of the Board with respect to the adequacy of Mkango's internal control systems.
4. Review the annual and interim financial statements of Mkango and related management's discussion and analysis ("MD&A") prior to their submission to the Board for approval. The process should include but not be limited to:
 - reviewing changes in accounting principles and policies, or in their application, which may have a material impact on the current or future years' financial statements;
 - reviewing significant accruals, reserves or other estimates such as the ceiling test calculation;
 - reviewing accounting treatment of unusual or non-recurring transactions;
 - ascertaining compliance with covenants under loan agreements;
 - reviewing disclosure requirements for commitments and contingencies;
 - reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - reviewing unresolved differences between management and the external auditors; and
 - obtaining explanations of significant variances with comparative reporting periods.
5. Review the financial statements, prospectuses, MD&A, annual information forms ("AIF") (as applicable) and all public disclosure containing audited or unaudited financial information (including, without limitation, annual and interim press releases and any other press releases disclosing earnings or financial results) before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of Mkango's disclosure of all other financial information and will periodically assess the accuracy of those procedures.
6. With respect to the appointment of external auditors by the Board:
 - recommend to the Board the external auditors to be nominated;
 - recommend to the Board the terms of engagement of the external auditor, including the compensation of the auditors and a confirmation that the external auditors will report directly to the Committee;
 - on an annual basis, review and discuss with the external auditors all significant relationships such auditors have with the Corporation to determine the auditors' independence;
 - when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;
 - review and pre-approve any non-audit services to be provided to Mkango or its subsidiaries by the external auditors and consider the impact on the independence of such auditors. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) comply with such other procedures as may be established by the Committee from time to time;
 - review the performance of the external auditors annually or more frequently as required; and
 - ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditor with those of other audit firms and oversee the selection process and further ensure that all tendering firms have such access as is necessary to information and individuals during the tendering process.
7. Review with external auditors (and internal auditor if one is appointed by Mkango) their assessment of the internal controls of Mkango, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee will also review

annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of Mkango and its subsidiaries.

8. Give due consideration to applicable laws and regulations, the provisions of the UK Corporate Governance Code, the QCA Corporate Governance Guidelines for Small and Mid Sized Quoted Companies, NAPF Corporate Governance Policy & Voting Guidelines for Smaller Companies and the requirements of the London Stock Exchange's rules for AIM companies as appropriate.
9. Review risk management policies and procedures of Mkango (i.e. hedging, litigation and insurance).
10. Establish a procedure for:
 - the receipt, retention and treatment of complaints received by Mkango regarding accounting, internal accounting controls or auditing matters; and
 - the confidential, anonymous submission by employees of Mkango of concerns regarding questionable accounting or auditing matters and keep the said procedures under review, ensuring that that it allows proportionate and independent investigation of such matters and appropriate follow up action.
11. Review and approve Mkango's hiring policies regarding partners and employees and former partners and employees of the present and former external auditors of Mkango.
12. Review Mkango's procedures for detecting fraud.
13. Review Mkango's systems and controls for the prevention of bribery and receive reports on non-compliance.

Not only does the Committee have the authority to communicate directly with the external auditors of the Corporation, but the Corporation requires the external auditors to report directly to the Committee. The Committee will also have the authority to investigate any financial activity of Mkango. All employees of Mkango are to cooperate as requested by the Committee.

The Committee may also retain persons having special expertise and/or obtain independent professional advice to assist in filling their responsibilities at such compensation as established by the Committee and at the expense of Mkango without any further approval of the Board.

Meetings and Administrative Matters

1. At all meetings of the Committee every resolution shall be decided by a majority of the votes cast. In case of an equality of votes, the Chair of the meeting shall not be entitled to a second or casting vote.
2. The Chair will preside at all meetings of the Committee, unless the Chair is not present, in which case the members of the Committee that are present will designate from among such members the Chair for purposes of the meeting.
3. A quorum for meetings of the Committee will be a majority of its members, and the rules for calling, holding, conducting and adjourning meetings of the Committee will be the same as those governing the Board unless otherwise determined by the Committee or the Board.
4. Meetings of the Committee should be scheduled to take place at least four times per year (quarterly). Minutes of all meetings of the Committee will be taken. The President and Chief Executive Officer, Chief Operating Officer and Chief Financial Officer will if invited to do so by the Committee attend meetings of the Committee, unless otherwise excused from all or part of any such meeting by the Chair.
5. The Committee will meet with the external auditors at least once per year (in connection with the preparation of the year-end financial statements) and at such other times as the external auditors and the Committee consider appropriate. At least once per year, the Committee should meet with the external auditors in the absence of management to determine, inter alia, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee.

6. Agendas, approved by the Chair, will be circulated to Committee members along with background information on a timely basis prior to the Committee meetings.
7. The Committee may invite such officers, directors and employees of the Corporation as it sees fit from time to time to attend at meetings of the Committee and assist in the discussion and consideration of the matters being considered by the Committee.
8. Minutes of the Committee will be recorded and maintained and circulated to directors who are not members of the Committee or otherwise made available at a subsequent meeting of the Board.
9. The Committee may retain persons having special expertise and may obtain independent professional advice to assist in fulfilling its responsibilities at the expense of the Corporation.
10. Any members of the Committee may be removed or replaced at any time by the Board and will cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies on the Committee by appointment from among its members. If and whenever a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains. Subject to the foregoing, following appointment as a member of the Committee, each member will hold such office until the Committee is reconstituted.

Any issues arising from these meetings that bear on the relationship between the Board and management should be communicated to the chairman of the Board by the Chair.

