



**NOTICE OF
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON
THURSDAY, NOVEMBER 19, 2020
AND
MANAGEMENT INFORMATION CIRCULAR**

Dated as of October 20, 2020

These materials are important and require your immediate attention. They require shareholders of Skarb Exploration Corp. to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors.

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SKARB EXPLORATION CORP.

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
THURSDAY, NOVEMBER 19, 2020**

**MANAGEMENT PROXY CIRCULAR
as at October 20, 2020**

This Management Information Circular (the “**Information Circular**”) is furnished in connection with the solicitation by the management of Skarb Exploration Corp. (the “**Corporation**”) of proxies to be voted at the annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of the Corporation to be held at Suite 970, 1055 West Hastings Street, Vancouver, British Columbia, via teleconference on **Thursday, November 19, 2020 at 11:00 a.m.** (Vancouver Time) for the purposes set forth in the accompanying Notice of Meeting.

To mitigate risks related to the rapidly evolving global COVID-19 public health emergency to Shareholders, and the Corporation’s employees, communities and other stakeholders, and based on government recommendations and mandates to avoid large gatherings, the Meeting will be held electronically by teleconference.

Canada/USA: 1-800-719-7514

Australia: 1-800-316-953

Ireland: 1-800-902-900

Shareholders will not be able to attend the Meeting in person.

The teleconference will allow Shareholders to listen to the Meeting and ask questions regardless of their geographic location or the particular circumstances that they may be facing as a result of COVID-19. The Corporation strongly encourages Shareholders to vote in advance of the Meeting in accordance with the instructions provided in the body of this Circular.

The Corporation is monitoring developments regarding COVID-19. In the event the Corporation decides any change to the date, time, location or format of the Meeting is necessary or appropriate due to difficulties arising from COVID-19, the Corporation will promptly notify Shareholders of the change by issuing a news release, a copy of which will be available on SEDAR at www.sedar.com.

It is anticipated that the notice of meeting for the Meeting, form of proxy (“**Proxy Instrument**”) and request for voting instructions will be first mailed to shareholders on or about **October 29, 2020**. Unless otherwise stated, the information contained in this Information Circular is given as at October 20, 2020.

The Corporation is sending proxy-related materials directly to non-objecting beneficial owners pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). The Corporation does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-107 *Request for Voting Instructions Made by Intermediary*. In the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting owner’s intermediary assumed the cost of delivery.

The head office of the Corporation is located at Suite 970, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9 and its telephone number is 604-813-3931. The registered and records office of the Corporation is located at 4 Brule Gardens, Toronto, Ontario, M6S 4J2.

All currency figures in the Information Circular are in Canadian dollars, unless otherwise indicated.

Information regarding the proxies solicited by management in connection with the Meeting is set out below under “Information About Proxies”.

INFORMATION ABOUT PROXIES

Solicitation of Proxies

The solicitation of proxies by management of the Corporation will be made primarily by mail, but solicitation may be made by telephone or in person with the cost of such solicitation to be borne by the Corporation. **No arrangements have been made to date to contract for the solicitation of proxies for the Meeting.**

Appointment of Proxyholder

The persons named in the enclosed Proxy Instrument for the Meeting are officers of the Corporation and nominees of management. **A registered shareholder has the right to appoint some other person or company, who need not be a shareholder, to represent such registered shareholder at the Meeting by striking out the names of the persons designated in the accompanying Proxy Instrument and by inserting the name of that other person or company in the blank space provided.** If a registered shareholder appoints one of the persons designated in the accompanying Proxy Instrument as a nominee and does not direct the said nominee to vote either “For”, “Against” or “Withhold”, as applicable, from voting on a matter or matters with respect to which an opportunity to specify how the Common Shares registered in the name of such registered shareholder shall be voted, the proxy shall be voted “For” such matter or matters.

The instrument appointing a proxyholder must be in writing and signed by the registered shareholder, or such registered shareholder’s attorney, authorized in writing, or if the registered shareholder is a corporation, by the authorized representative or a duly authorized person on behalf of such corporation. An undated but executed proxy will be deemed to be dated the date of the mailing of the proxy. In order for a proxy to be valid, a registered shareholder must:

- (a) sign and print his or her name on the lines specified for such purpose at the bottom of the Proxy Instrument; and
- (b) return the properly executed and completed Proxy Instrument by mailing it or delivering it by hand in the appropriate enclosed return envelope addressed to Odyssey Trust Company (“**Odyssey**”),

to be received no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia or Ontario) before any adjournment(s) of the Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

Revocation of Proxy

A registered shareholder may revoke a proxy by delivering a signed instrument in writing executed by such registered shareholder or by the registered shareholder’s attorney authorized in writing or, where the registered shareholder is a corporation, by a duly authorized officer or attorney of such corporation, either to the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or before any vote in respect of which the proxy is to be used shall have been taken, or in any other manner permitted by law.

Voting of Proxies

A registered shareholder may direct the manner in which his or her Common Shares are to be voted or withheld from voting in accordance with the instructions of the registered shareholder by marking the Proxy Instrument accordingly. The management nominees designated in the enclosed Proxy Instrument will vote the Common Shares represented by proxy in accordance with the instructions of the registered shareholder on any resolution that may be called for and if the registered shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **Where no choice is specified with respect to any resolution or in the absence of certain instructions, the Common Shares represented by a proxy given to management will be voted “For” the resolution. If more than one direction is made with respect to any resolution, such Common Shares will similarly be voted “For” the resolution.**

Exercise of Discretion by Proxyholders

The enclosed Proxy Instrument, when properly completed and delivered and not revoked, confers discretionary authority upon the proxyholders named therein with respect to amendments or variations of matters identified in the accompanying *Notice of Meeting*, and other matters not so identified which may properly be brought before the Meeting. At the date of this Information Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. If any amendment or variation or other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their judgement on such amendment, variation or matter.

VOTING BY BENEFICIAL SHAREHOLDERS

The information set out in this section is important to many shareholders as a substantial number of shareholders do not hold their Common Shares in their own name.

Persons who hold Common Shares through their brokers, agents, trustees or other intermediaries (such shareholders, “**Beneficial Shareholders**”) should note that only proxies deposited by registered shareholders whose names appear on the share register of the Corporation may be recognized and acted upon at the Meeting. If Common Shares are shown on an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases the name of such Beneficial Shareholder will not appear on the share register of the Corporation. Such Common Shares will most likely be registered in the name of the broker or an agent of the broker. In Canada, the vast majority of such Common Shares will be registered in the name of “CDS & Co.”, the registration name of CDS Clearing and Depository Services Inc., which acts as a nominee for many brokerage firms. Common Shares held by brokers, agents, trustees or other intermediaries can only be voted by those brokers, agents, trustees or other intermediaries in accordance with instructions received from Beneficial Shareholders. As a result, Beneficial Shareholders should carefully review the request for voting instructions (“**VIF**”) provided with this Information Circular and ensure they communicate how they would like their Common Shares voted in accordance with those instructions.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “**NOBOs**”. Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as “**OBOs**”. In accordance with the requirements of National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has elected to send the Notice of Meeting, the Proxy Instrument and VIF (collectively, the “**Meeting Materials**”) directly to NOBOs.

Generally, a Beneficial Shareholder who has not waived the right to receive Meeting Materials will either:

- (c) be given a Proxy Instrument which has already been signed by the intermediary (typically by a facsimile with a stamped signature), which is restricted as to the number of shares beneficially owned by the Beneficial Shareholder and must be completed, but not signed, by the Beneficial Shareholder and deposited with Odyssey; or
- (d) more typically, be given a VIF which is not signed by the intermediary and which, when properly completed and signed by the Beneficial Shareholder and returned to the intermediary or its service company, will constitute voting instructions which the intermediary must follow.

VIFs should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Common Shares which they beneficially own.

Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Common Shares registered in the name of their broker, agent, trustee or other intermediary, a Beneficial Shareholder may attend the Meeting as a proxyholder for a registered shareholder and vote Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting or have someone else attend on their behalf, and indirectly vote their Common Shares as proxyholder for the registered shareholder should contact their broker, agent, trustee or other intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Common Shares as a proxyholder.

If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

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

No director or executive officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Corporation's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the re-appointment of auditors and the adoption of the stock option plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Securities Entitled to Vote

The record date for the determination of shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournment(s) thereof is October 20, 2020 (the "**Record Date**"). Shareholders of the Corporation whose names have been entered in the register of shareholders of the Corporation at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) thereof.

As of October 20, 2020, the authorized share capital of the Corporation is an unlimited amount of Common Shares of which 17,671,500 Common Shares are issued and outstanding. Each shareholder is entitled to one vote for each common share registered in his or her name at the Record Date.

Ownership by Management

The following table set forth certain information regarding beneficial ownership of the Corporation's shares, as of October 20, 2020, by each of the Corporation's executive officers and directors.

Name	Beneficially Owned ⁽¹⁾	Percentage of Class %
CHRIS DONALDSON, Chief Executive Officer and Director	13,000	0.07
ROMAN DYKUN, Corporate Secretary	7,545,000	42.70
OTA HALLY, Chief Financial Officer and Director	200,000	1.13
CRAIG ANDREW PARRY, Director	5,401,500	30.57
LOUIS ARCHAMBEAULT, Director	500,000	2.83
MARCO JACUTA, Director	195,500	1.11

Notes:

(1) These amounts do not include options granted pursuant to the Current Stock Option Plan (defined below).

Ownership by Principal Shareholders

To the Corporation's knowledge, as of October 20, 2020, the following persons beneficially own, or controls or directs, directly or indirectly, more than 10% of the outstanding shares.

Name	Beneficially Owned ⁽¹⁾	Percentage of Class %
CRAIG ANDREW PARRY, Director	5,401,500	30.57
ROMAN DYKUN, Corporate Secretary	7,545,000	42.70

ELECTION OF DIRECTORS

The directors on the board of directors of the Corporation (the "**Board**") are elected at each annual meeting of shareholders and hold office until the close of the next annual meeting or until their successors are duly elected or appointed, unless their office is earlier vacated in accordance with the *Business Corporations Act* (Ontario). At the Meeting, shareholders will be asked and, if deemed advisable, to pass, with or without variation an ordinary resolution fixing the number of directors at four (4) for the ensuing year. Management proposes to nominate each of the following four (4) persons for election as a director of the Corporation. Proxies cannot be voted for a greater number of persons than the number of nominees named. Holders of Common Shares are entitled to vote their Common Shares for the election of directors.

In the absence of instructions to the contrary, the enclosed Proxy Instrument will be voted "FOR" the nominees listed below.

As a group, the proposed directors beneficially own, or control or direct, directly or indirectly, a total of 6,114,500 Common Shares, representing 34.60% of the Common Shares outstanding.

Name, province or state and country of residence and position, if any, held in the Corporation	Principal Occupation or Employment	Director Since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Number of Stock Options Outstanding
CRAIG ANDREW PARRY British Columbia, Canada <i>DIRECTOR</i>	Mr. Parry is currently the President and Chief Executive Officer of IsoEnergy Ltd., a 53%-owned subsidiary of NexGen Energy Ltd. IsoEnergy Ltd. is a uranium exploration and development company. Mr. Parry was Chief Executive Officer of Tigers Realm Coal Limited in 2012 and acted in that capacity until 2015.	March 6, 2018	5,400,000 (Direct) 1,500 (Indirect)	480,000
OTA HALLY ⁽²⁾ British Columbia, Canada <i>CHIEF FINANCIAL OFFICER & DIRECTOR</i>	Mr. Hally serves as an independent mining consultant, providing executive and financial management advice to companies. Previous to that he worked for a number of large public practice firms and corporations, including KPMG, Meridian Gold, Yamana Gold, Pan American Silver and Endeavour Mining.	July 9, 2018	200,000 (Direct)	400,000
LOUIS ARCHAMBEAULT ⁽²⁾ British Columbia, Canada <i>DIRECTOR</i>	Mr. Archambeault is currently Vice President Corporate Development at Orezone Gold Corporation, a Canada-based gold mining company mainly engaged in the exploration and evaluation and development of gold. Previous to that, he served as Director, Corporate Development of Goldcorp, Head of North America at Appian Capital and Director of CIBC World Markets.	July 9, 2018	500,000	285,000
CHRIS DONALDSON British Columbia, Canada <i>CHIEF EXECUTIVE OFFICER & DIRECTOR</i>	Mr. Donaldson is currently Chief Executive Officer and a Director of the Corporation. Previous to that he was Director and Corporate Development of Western Copper and Gold as well as Director, Corporate Development and Community with Casino Mining Corporation.	October 1, 2020	13,000	Nil

Notes

- (1) The information as to Common Shares beneficially owned or controlled has been provided by the nominees themselves
 (2) A member of the Audit Committee

The information as to residence, principal occupation and number of Common Shares beneficially owned or controlled is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees as of October 20, 2020. No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company.

Corporate Cease Trade Orders

No directors or executive officers of the Corporation have, within the ten (10) years prior to the date of this Information Circular, been a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) 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 exemption under securities legislation, in each case for a period of more than 30 consecutive days.

Corporate Bankruptcies

None of the Corporation's directors, executive officers or shareholders holding a sufficient number of securities to affect materially the control of the Corporation, has, within the ten (10) years prior to the date of this Information Circular, become 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, been a director or executive officer of any company (including the Corporation), that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

No director or executive officer of the Corporation or shareholder holding sufficient securities of the Corporation to affect materially the control of the Corporation has:

- been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor making an investment decision.

APPOINTMENT OF AUDITOR

Re-appointment of Auditor

The Corporation's auditors are D&H Group LLP, Chartered Accountants ("**D&H**"). D&H was first appointed the auditor of the Corporation on July 8, 2019.

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted "FOR" the re-appointment of D&H as the auditor of the Corporation to hold office until the close of the next annual meeting of shareholders of the Corporation or until a successor is appointed. It is proposed that the remuneration to be paid to the auditor be fixed by the Board.

Fees Paid to Auditor and their Independence from the Corporation

The following table sets forth the fees paid by the Corporation and its subsidiaries to D&H for services rendered in the last two fiscal years:

Nature of Services	Year ended June 30, 2020	Year ended June 30, 2019
Audit Fees ⁽¹⁾	\$ 10,000	\$ 11,000
Audit-related fees ⁽²⁾	\$ Nil	\$ 7,375
Tax fees ⁽³⁾	\$ Nil	\$ Nil
All other fees ⁽⁴⁾	\$ Nil	\$ Nil
Total	\$ 10,000	\$18,375

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit 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.

QUORUM

Under the by-laws of the Corporation, the quorum for the Meeting is one person present and entitled to vote at the meeting that holds or represents by proxy not less than 25% of the votes attached to the outstanding shares of the Corporation entitled to vote at the meeting.

No business may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting.

STATEMENT OF EXECUTIVE COMPENSATION

Director and named executive officer compensation, excluding compensation securities

Set out below is a summary of compensation paid or accrued during the Corporation's two most recently completed financial years to the Corporation's directors and named executive officers (the "NEOs").

Table of compensation excluding compensation securities

Name and position	Year (1)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Chris Donaldson ⁽²⁾ <i>Chief Executive Officer & Director</i>	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A

Name and position	Year (1)	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Craig Parry ⁽³⁾ <i>Director & Chief Executive Officer (former)</i>	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Ota Hally <i>Chief Financial Officer & Director</i>	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Roman Dykun ⁽⁴⁾ <i>Corporate Secretary</i>	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Marco Jacuta <i>Director</i>	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Louis Archambeault <i>Director</i>	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil
Christina Dykun ⁽⁵⁾ <i>Chief Financial Officer (former) & Director (former)</i>	2020 2019 2018	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil

(1) The Corporation was incorporated on March 6, 2018, therefore, there was no activity before then.

(2) Chris Donaldson was appointed Chief Executive Officer and Director on October 1, 2020.

(3) Craig Parry received no compensation for his position as Chief Executive Officer or director of the Corporation. He resigned as Chief Executive Officer as of October 1, 2020

(4) Mr. Dykun was appointed Corporate Secretary on February 25, 2019 and received no compensation for his position.

(5) Ms. Dykun resigned as Chief Financial Officer and Director on July 9, 2018.

Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each director and NEO by the Corporation in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Chris Donaldson <i>Chief Executive Officer</i>	-	-	-	-	-	-	-

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Ota Hally <i>Chief Financial Officer & Director</i>	Options ⁽¹⁾	100,000	07/09/2018	\$0.10	\$0.10	\$0.10	07/09/2028
	Options ⁽²⁾	300,000	10/21/2019	\$0.10	\$0.10	\$0.10	10/21/2024
Craig Parry <i>Director & Former Chief Executive Officer</i>	Options ⁽²⁾	480,000	10/21/2019	\$0.10	\$0.10	\$0.10	10/21/2024
Marco Jacuta <i>Director</i>	Options ⁽²⁾	210,000	10/21/2019	\$0.10	\$0.10	\$0.10	10/21/2024
Louis Archambeault <i>Director</i>	Options ⁽¹⁾	75,000	07/09/2018	\$0.10	\$0.10	\$0.10	07/09/2028
	Options ⁽²⁾	210,000	10/21/2019	\$0.10	\$0.10	\$0.10	10/21/2024
Roman Dykun <i>Corporate Secretary</i>	Options ⁽²⁾	200,000	10/21/2019	\$0.10	\$0.10	\$0.10	10/21/2024

(1) The Stock Options are vested over four years and will be fully vested by July 9, 2022. The vested options can be exercised at any time before the expiry date.

(2) The Stock Options immediately vested and can be exercised at any time before the expiry date.

Exercise of Compensation Securities by Directors and NEOs

No Directors or NEO's exercised any Compensation Securities during the financial year end, June 30, 2020.

Stock Option Plan

The following information is intended as a brief description of the Corporation's current fixed incentive stock option plan (the "**Current Plan**") which was approved by the directors of the Corporation on July 5, 2018 and is qualified in its entirety by the full text of the Current Plan, which will be available for review at the Meeting.

The purpose of the Current Plan is to provide Skarb with a share-related mechanism to attract, retain and motivate qualified Executives, Employees and Consultants, to incent such individuals to contribute toward the long-term goals of Skarb, and to encourage such individuals to acquire Shares of Skarb as long-term investments.

The maximum number of Common Shares issuable under the Current Plan, together with the number of Common Shares issuable under outstanding options granted otherwise than under the Current Plan, shall not exceed 10% of the Common Shares outstanding from time to time. As of the date of this Information Circular, Skarb was eligible to grant up to 20,150 options under its Current Plan. There are presently 1,745,000 options outstanding.

The Board proposes to implement a new stock option, subject to shareholder and regulatory approval, to allow for the purchase of shares issuable in connection with stock options granted under the new stock option plan to equal 10% of the Corporation's issued and outstanding Common Shares at any given time. For additional information pertaining to the new stock option plan, see the section of this Information Circular entitled "Particulars of Matters to be Acted Upon - Adoption of New Stock Option Plan"

Employment, Consulting and Management Agreements

The Corporation does not have any employment agreements or arrangement under which compensation was provided during the most recently completed financial year in respect of services provided to the Corporation that were performed by a director or NEO.

Director and NEO Compensation

The compensation of the Corporation's directors and NEOs is set by the independent directors of the Board after taking into account both the compensation paid to directors and NEOs at similar sized companies and the contribution of each director and/or executive officer to the successful operation of the Corporation.

No compensation was paid to directors or NEOs in their capacity as director or NEO, as applicable, in their capacity as members of a committee of the Board, or as consultants or experts, during the Corporation's most recently completed financial year. The directors and NEOs of the Corporation are not currently paid any fees for their services as directors or NEOs, as applicable, except for reimbursements for out-of-pocket expenses incurred in connection with such duties and options issued under the Current Stock Option Plan. See "*Compensation Securities*", above.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

As of the end of the Corporation's most recently completed financial year with respect to compensation plans under which equity securities of the Corporation are authorized for issuances, aggregated as follows:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by Shareholders	1,745,000	\$0.10	390,000
Equity compensation plans not approved by Shareholders	-	-	-
Total	1,745,000	\$0.10	390,000

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular and at all times since, no executive officer, director, employee or former executive officer, director or employee of the Corporation or any of its subsidiaries is or has been indebted to the Corporation, or any of its subsidiaries, nor are or have any of these individuals been indebted to another entity, which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation, or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the directors or executive officers of the Corporation, proposed nominee for election as a director of the Corporation, persons beneficially owning, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Corporation nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's last completed financial year or in any proposed transaction which has or will materially affect the Corporation, as disclosed in the Corporation's audited financial statements and Management's Discussion & Analysis for the last financial year.

MANAGEMENT CONTRACTS

Except as set out herein, 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 NEOs of the Corporation.

AUDIT COMMITTEE DISCLOSURE

The Corporation is required to have an audit committee comprised of not less than three (3) directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation.

Audit Committee Charter

The Audit Committee Charter can be found is attached as Schedule “A” to this Information Circular.

Composition of Audit Committee and Independence

National Instrument 52-110 *Audit Committees*, (“**NI 52-110**”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Board, reasonably interfere with the exercise of the member’s independent judgment.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements. All of the members of the Corporation’s audit committee are financially literate as that term is defined. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of their responsibilities as an audit committee member.

The Corporation’s current audit committee consists of Louis Archambeault, Marco Jacuta and Ota Hally (the “**Audit Committee**”). In the view of management of the Corporation, Louis Archambeault and Marco Jacuta are “independent” as such term is defined in NI 52-110. All three members are “financially literate” as such terms are defined in NI 52-110.

Relevant Education and Experience

All proposed members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements. All proposed members of the Audit Committee have an understanding of internal controls.

In addition to each member's general business experience, the education and experience of each proposed Audit Committee member that is relevant to the performance of his/her responsibilities as an Audit Committee member is as follows:

Louis Archambeault, Chair

Mr. Archambeault has over 12 years of experience in the financial markets, including experience in the mineral exploration sector. He earned both his B.Eng in Mining and Mineral Engineering with a minor in Finance and an M.Eng in Mineral Economics and Artificial Intelligence from McGill University.

Ota Hally

Mr. Hally earned a diploma in Finance and Accounting with the British Columbia Institute of Technology and holds a B.Comm in Entrepreneurial Management from Royal Roads University. Mr. Hally obtained his Chartered

Professional Accountant designation in 2006 and his Chartered Financial Analyst Designation in 2014. Mr. Hally has broad experience in executive level financial management positions across multiple industries.

Marco Jacuta

Mr. Jacuta holds a B.A. Degree from the University of Alberta, and LL.B. from the University of Leicester and an LL.M from Osgoode Hall Law School. He is a lawyer called to the Bars in the Provinces of Alberta and Ontario. He is a lawyer with Dentons Canada LLP with experience in corporate, securities and mergers & acquisitions law. Mr. Jacuta will not be re-elected as a director at the meeting and will be replaced by Craig Parry as a member of the audit committee.

Mr. Parry currently serves as President and Chief Executive Officer of IsoEnergy Ltd. Much of Mr. Parry's business career has involved strategic business development, mergers, acquisitions and geology. Based on his business experience, Mr. Parry is financially literate.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year (for purposes of this Information Circular, being June 30, 2020), the Audit Committee of the Corporation has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year (for purposes of this Information Circular, being June 30, 2020), the Corporation has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Exemption in Section 6.1

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the "**Guidelines**") adopted in National Policy 58-201. These Guidelines are not prescriptive but have been used by the Corporation in adopting its corporate governance practices. The Corporation's approach to corporate governance is set out below.

Board of Directors

Management is nominating four (4) individuals to the Board, four (4) of whom are current directors of the Corporation.

The Guidelines suggest that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Corporation. The "material relationship" is defined as a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's

independent judgement. Currently, the Company has only one director, Louis Archambeault, who is considered “independent” within the meaning of NI 52-110. The Company acknowledges that it currently does not meet corporate governance standards and intends to add a director who is considered independent in the future.

Directorships

The following directors of the Corporation are also a director of other reporting issuers:

Name of Director of the Corporation	Names of Other Reporting Issuers
Craig Parry	Skeena Resources Limited Vizsla Resources Corp. IsoEnergy Ltd. GPM Metals Inc. QX Metals Corp.
Louis Archambeault	Orezone Gold Corporation

Orientation and Continuing Education

The Board provides an overview of the Corporation’s business activities, systems and business plan to all new directors. New director candidates have free access to any of the Corporation’s records, employees or senior management in order to conduct their own due diligence and will be briefed on the strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing policies of the Corporation.

Ethical Business Conduct

On July 26, 2019, the Board adopted a formal written Code of Business Conduct and Ethics. The Code of Business Conduct and Ethics can be found on the Corporation’s website, <http://skarbexploration.ca>.

Nomination of Directors

The Board as a whole is responsible for recruiting and nominating new members to the Board and planning for the succession of directors.

Compensation

The Board reviews adequacy and form of compensation and compares it to other companies of similar size and stage of development. Directors’ compensation is mainly in the form of stock options.

Other Board Committees

At present time, the only standing committee is the Audit Committee. The written charter of the Audit Committee, as required by NI 52-110, is attached as Schedule “A” to this Information Circular.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of any committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

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 and its committee(s).

The Board believes its corporate governance practices are appropriate and effective for the Corporation, given its size and operations. The Corporation's corporate governance practices allow the Corporation to operate efficiently, with checks and balance that control and monitor management and corporate functions without excessive administration burden.

PARTICULARS OF MATTERS TO BE ACTED UPON

Adoption of New Stock Option Plan

The Corporation's current stock option plan (the "**Plan**") was initially adopted by the Board on July 15, 2018, allowing for the grant of stock options for the purchase of up to 2,135,000 Common Shares of the Corporation.

The Board proposes to implement a new 10% rolling plan (the "**New Plan**"), subject to shareholder and regulatory approval. The New Plan is consistent with the requirements of the Canadian Securities Exchange (the "**CSE**") and provides as follows:

- (a) the maximum aggregate number of Common Shares that can be issued pursuant to the exercise of options granted under the Plan, the New Plan or otherwise, is 1,767,150 Common Shares of the Corporation, being 10% of the Corporation's current issued and outstanding share capital (on a non-diluted basis);
- (b) stock options granted under the New Plan will have an expiry date not to exceed ten years from the date of grant;
- (c) any stock options granted that expire or terminate for any reason without having been exercised will again be available under the New Plan;
- (d) stock options will vest as required by the CSE, or such other stock exchange which the Corporation's Common Shares may be listed, and as may be determined by the administrator of the New Plan, or in the absence of such body, the Board;
- (e) the minimum exercise price of any stock options issued under the New Plan will be determined by the Board at the time of grant, subject to the requirements of the CSE or such other stock exchange which the Corporation's Common Shares may be listed;
- (f) stock options granted will expire 90 days after an optionee ceases to be involved with the Corporation, or for any options granted to an individual providing investor relations services, 30 days after the optionee ceases to be involved with the Corporation;
- (i) the Corporation cannot grant options to any one consultant in any 12 month period which could, when exercised, result in the issuance of shares exceeding 2% of the issued and outstanding Common Shares of the Corporation;
- (j) the Corporation cannot grant options in any 12 month period to persons employed or engaged by the Corporation to perform investor relations activities which could, when exercised, result in the issuance of Common Shares exceeding, in aggregate, 2% of the issued and outstanding shares of the Corporation and options issued to consultants performing investor relations activities must vest in stages over 12 months with no more than 1/4 of the options vested in any three month period;
- (k) in connection with the exercise of an option, as a condition to such exercise the Corporation may require the optionee to pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option; and

(l) if a change of control, as described in the New Plan, occurs, all unvested options shall immediately become vested and may thereon be exercised in whole or in part by the option holder, subject to any required approval by the CSE, or such other stock exchange which the Corporation's Common Shares may be listed;

The above summary is subject to the full text of the New Plan which will be available for review at the Meeting.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval of the New Plan.

The New Plan, and any material amendments thereto, must be approved by a majority of the votes cast by shareholders. The New Plan is subject to approval by the CSE.

If the New Plan is approved by shareholders, a total of 1,745,000 Common Shares will be reserved for issuance pursuant to the exercise of options to be granted pursuant to the New Plan as at the record date for the Meeting, of which a total of 1,745,000 options are currently outstanding and of which a total of 22,150 options will be available for grant pursuant to the New Plan.

All options to acquire Common Shares of the Corporation previously issued by the Corporation to directors, officers, employees and consultants of the Corporation and currently outstanding shall be deemed to have been granted and issued under the New Plan and otherwise be governed by the terms and conditions of the New Plan, subject to the specific terms and conditions as to exercise price, vesting periods, if any, and expiry dates as are currently applicable to such options.

At the Meeting, shareholders will be asked to pass the following resolution:

“IT IS RESOLVED, as an ordinary resolution that the new 10% rolling stock option plan is hereby approved and confirmed and the directors and officers of the Corporation be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of this resolution and notwithstanding the foregoing, the directors of the Corporation are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this ordinary resolution at any time prior to giving effect to the new 10% rolling stock option plan.”

Shareholders may vote FOR or AGAINST the above resolution. The Board has unanimously approved the New Plan and recommends that shareholders vote FOR the adoption of the New Plan. To be effective, the New Plan requires approval by an ordinary resolution passed by the shareholders of the Corporation at a general meeting. An ordinary resolution is a resolution passed by a simple majority of the votes cast in person or by proxy. If approved by the Corporation's shareholders, the New Plan will take effect immediately

If the New Plan is not approved by shareholders, the Plan will continue.

Approval of Share Consolidation

At the Meeting, the Corporation's shareholders will be asked to consider, and if thought appropriate, to pass a special resolution in the form set out below (the “**Consolidation Resolution**”) authorizing an amendment to the articles of the Corporation pursuant to Section 168 of the *Business Corporations Act* (Ontario) (the “**OBCA**”) to consolidate the Corporation's issued and outstanding Common Shares in the capital of the Corporation on the basis of up to four (4) old Common Shares for one (1) new Common Share of the Corporation (the “**Consolidation**”), such ratio to be determined by the Board in its sole discretion (the “**Consolidation Ratio**”). The effect of the Consolidation, the background to and reasons for the Consolidation, certain risks associated with the Consolidation and certain additional information relating to the Consolidation, are set out below.

The Board believes that the Consolidation is in the best interests of the Corporation and its shareholders and may be necessary in order to provide the Corporation with a share capital structure that will better attract capital financing and enhance future growth opportunities.

The Consolidation is also subject to the approval of the Exchange. Assuming approval of the Consolidation is obtained from the shareholders and the Exchange, the Consolidation will take effect on a date to be coordinated with the Exchange and announced in advance by the Corporation.

Principal Effects of the Consolidation

If approved and implemented, the Consolidation will occur simultaneously for all the Common Shares and the consolidation ratio would be the same for all such Common Shares. The consolidation would affect all shareholders equally. Except for any variances attributable to fractional Common Shares, the change in the number of issued and outstanding Common Shares that would result from the Consolidation would cause no change in the capital attributable to the Common Shares and would not materially affect any shareholders' percentage ownership in the Corporation, even though such ownership would be represented by a smaller number of Common Shares.

The Consolidation will not change, in any way, any shareholder's proportion of votes to total votes; however, if the Consolidation Resolution is passed, the total number of votes that a Shareholder may cast at any future general meeting of the Corporation will be reduced. Each fractional Common Share remaining after conversion that is less than one-half of a Common Share will be cancelled and each fractional Common Share that is at least one-half of a Common Share will be changed to one whole Common Share.

The exercise or conversion price and the number of Common Shares issuable under any outstanding convertible securities of the Corporation, including outstanding stock options issued under the Corporation's stock option plan dated May 22, 2018 will be adjusted in accordance with their terms if the Consolidation is implemented.

The principal effect of the Consolidation will be that the number of Common Shares issued and outstanding will be reduced from 17,671,500 Common Shares as at October 20, 2020, to approximately 4,417,875 Common Shares (assuming a Consolidation Ratio of one (1) new Common Share for every four (4) old Common Shares).

Certain Risks of the Consolidation

The effect of the Consolidation upon the market price of the Common Shares cannot be predicted with any certainty, and the history of similar share consolidations for companies similar to the Corporation is varied. There can be no assurance that the total market capitalization of the Common Shares immediately following the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-share market price of the Common Shares following the Consolidation will remain higher than the per-share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation. Furthermore, the Consolidation may lead to an increase in the number of shareholders who will hold "odd lots"; that is, a number of shares not evenly divisible into "board lots" (a board lot is either 100, 500 or 1,000 shares, depending on the price of the shares). As a general rule, the cost to shareholders transferring an odd lot of Common Shares is somewhat higher than the cost of transferring a board lot. Nonetheless, despite the risks and the potential increased cost to shareholders in transferring odd lots of post-consolidation Common Shares, the Board believes the Consolidation is in the best interest of all shareholders.

Effect on Common Share Certificate

If the Consolidation is approved by shareholders and the Exchange and is implemented, registered shareholders will be required to exchange their existing share certificates for new share certificates representing post-consolidation Common Shares. Provided final approval by the Exchange is received and if the Board decides to implement it, then following the announcement by the Corporation of the effective date of the Consolidation, registered shareholders will be sent a letter of transmittal from Odyssey Trust Company as soon as practicable after the effective date of the Consolidation. The letter of transmittal will contain instructions on how to surrender certificate(s) representing pre-consolidation Common Shares to Odyssey Trust Company. Odyssey Trust Company will forward to each registered shareholder who has sent the required documents a new share certificate representing the number of post-consolidation Common Shares to which the shareholder is entitled. Until surrendered, each share certificate representing pre-

consolidation Common Share will be deemed for all purposes to represent the number of whole post-consolidation Common Shares to which the shareholder is entitled as a result of the Consolidation.

Effect on Beneficial Shareholders

Beneficial Shareholders holding their Common Shares through a bank, broker or other intermediary should note that such banks, brokers or other intermediaries may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for registered shareholders. If you hold your Common Shares with a bank, broker or other intermediary and if you have any questions in this regard, you are encouraged to contact your intermediary. **SHAREHOLDERS SHOULD NOT DESTROY ANY SHARE CERTIFICATES(S) AND SHOULD NOT SUBMIT ANY SHARE CERTIFICATE(S) UNTIL REQUESTED TO DO SO.**

Procedure for Implementing the Consolidation

If the Consolidation Resolution is approved by shareholders and final approval by the Exchange of the Consolidation is received, no further action will be required to implement the Consolidation and it will become effective on the date approved by the Board, which date will be announced in advance by the Corporation.

No Dissent Rights

Under the OBCA the Shareholders do not have any dissent rights with respect to the proposed Consolidation.

Shareholder Approval Authorizing the Consolidation

Shareholders will be asked to approve the Consolidation by special resolution at the Meeting, being a majority of not less than two thirds ($\frac{2}{3}$) of the votes cast by shareholders present in person or by proxy at the Meeting. The text of a special resolution, in substantially the form as set out below, will be placed before shareholders of the Corporation at the Meeting.

BE IT RESOLVED, as a special resolution of the Corporation's shareholders, that:

1. the issued share capital of the Corporation be altered at a date to be determined by the board of directors of the Corporation by consolidating all of the issued and outstanding Common Shares without par value on the basis of up to four (4) pre-consolidated Common Shares for one (1) post-consolidated Common Share (the "**Consolidation**");
2. any fractional shares of the Corporation arising upon the Consolidation be converted into whole shares of the Corporation as follows: (i) any fractional shares arising upon the Consolidation comprising less than one-half of one share will be deemed to have been tendered by the registered owner to the Corporation for cancellation, and will be returned to the authorized but unissued share capital of the Corporation; and (ii) any fractional shares arising upon the Consolidation comprising greater than or equal to one-half of one share will be converted into one whole share.
3. the directors of the Corporation, in their sole and complete discretion, may act upon this special resolution to effect the Consolidation and to determine the actual Consolidation ratio (such ratio not to exceed four (4) old Common Shares for one new Common Share), or if deemed appropriate and without any further approval from the shareholders of the Corporation, may choose not to act upon this special resolution notwithstanding shareholder approval of the Consolidation; and
4. any one director or officer of the Corporation, signing alone, be authorized to execute and deliver, under the corporate seal of the Corporation or otherwise, all such documents and instruments and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof.

The Board believes the passing of the foregoing special resolution is in the best interests of the Corporation and recommends that Shareholders of the Corporation vote in favour of the resolution.

The persons named in the form of proxy accompanying this Information Circular intend to vote FOR the approval of the Consolidation Resolution, unless the Shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be voted against the resolution approving the Consolidation Resolution.

Continuance of the Corporation to British Columbia

At the meeting, the Shareholders will also be asked to approve a special resolution (the "**Continuance Resolution**") authorizing the Board to apply for the discontinuance of the Corporation from the province of Ontario under Section 181 of the OBCA and the continuance (the "**Continuance**") of the Corporation into the province of British Columbia under Section 302 of the *Business Corporations Act* (British Columbia) ("**BCBCA**"). The full text of the Continuance Resolution is set out below, under "Continuance Resolution".

The Continuance Resolution also provides for approval of the adoption of a British Columbia Notice of Articles and Articles to replace the Corporation's current constating documents as discussed below, and for approval of a change of name from "Skarb Exploration Corp." to "Outback Goldfields Corp."

The Board believes it is in the best interest of the Corporation to continue to British Columbia, as it would provide additional flexibility to the Corporation and the Corporation's mind and management is located in British Columbia capital management. The BCBCA provides increased flexibility with respect to capital management, resulting from more flexible rules relating to dividends, share purchases and redemptions, and accounting for capital. The Continuance Resolution confers discretionary authority on the Board to revoke the Continuance Resolution before the Continuance occurs. The Board may exercise its discretion and elect not to proceed with the Continuance, notwithstanding Shareholder approval, for any number of reasons, including, for example, the number of Registered Shareholders that dissent in respect of the Continuance Resolution.

Effect of Continuance and Corporate Law Differences

Upon completion of the Continuance, the OBCA will cease to apply to the Corporation and the Corporation will become subject to the BCBCA as if it had been originally incorporated under the BCBCA. The registration of the Continuance does not create a new legal entity, nor does it prejudice or affect the continuity of the Corporation. The BCBCA provides shareholders with substantially the same rights as are available to shareholders under the OBCA, including approval rights over fundamental changes, rights of dissent and appraisal and rights to bring derivative actions and oppression actions.

However, the Continuance of the Corporation under the BCBCA will affect certain rights of Shareholders as they currently exist under the OBCA and the Corporation's by-laws. A summary of certain corporate law differences between the BCBCA and the OBCA is provided in Schedule "B" to this Information Circular. The summary is not intended to be a comprehensive review of the two statutes. Reference should be made to the full text of both statutes and the regulations thereunder for particulars of any differences between them, and Shareholders should consult their legal or other professional advisors with regard to all of the implications of the Continuance which may be of importance to them.

Further, the current articles and by-laws of the Corporation will be replaced by a "Notice of Articles" and "Articles" under the BCBCA, which will include changes to reflect certain corporate law differences of the BCBCA in comparison to the OBCA. These differences in the articles are also summarized in Schedule "B". The proposed form of the Notice of Articles and Articles under the BCBCA are attached to this Information Circular as Schedule "C".

Procedure for Continuance

In order to effect the Continuance, the Continuance Resolution must be approved by at least two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting. If the Continuance Resolution is approved, the Corporation will apply to the Director appointed under the OBCA to continue under the BCBCA. The Director will generally authorize a continuance from the OBCA to the BCBCA upon: (i) receipt of an application for authorization to continue into another jurisdiction; (ii) being satisfied that certain rights, obligations, liabilities and

responsibilities of the Corporation as set out in Section 181(9) of the OBCA will remain unaffected as a result of the Continuance; and (iii) receipt of the consent of the Ontario Securities Commission and the Ministry of Finance (Ontario) with respect to the Continuance. After the authorization from the Director is obtained, one or more of the directors of the Corporation signs the proposed articles of the Corporation, the Corporation applies to the BC Registrar to continue under the BCBCA, and the BC Registrar issues a certificate of continuation, at which time the Continuance will be effective. The Corporation then files the certificate of continuation with the Director under the OBCA and the Director issues a certificate of discontinuance under the OBCA.

Continuance Resolution

The text of the Continuance Resolution is as follows:

"BE IT RESOLVED as a special resolution of the shareholders of the Corporation that:

1. the continuance of the Corporation from the Province of Ontario to the Province of British Columbia pursuant to Section 181 of the *Business Corporations Act* (Ontario) ("**OBCA**") and Section 302 of the *Business Corporations Act* (British Columbia) ("**BCBCA**"), is hereby authorized and approved;
2. the Corporation is authorized to make application to the Director under the OBCA, pursuant to Section 181 of the OBCA, for authorization to continue under the BCBCA;
3. the Corporation is authorized to make application to the Registrar of Companies under the BCBCA, pursuant to Section 302 of the BCBCA, for a certificate of continuation continuing the Corporation under the BCBCA;
4. upon the issuance of a certificate of continuation continuing the Corporation under the BCBCA, the articles and by-laws of the Corporation shall be replaced in their entirety by the notice of articles described in, and the articles substantially in the form attached to Schedule "C" to, the Management Information Circular of the Corporation dated October 20, 2020 and shall change its name to "Outback Goldfields Corp.";
5. notwithstanding that the foregoing resolutions have been passed by the holders of the outstanding Common Shares of the Corporation ("**Shareholders**"), the board of directors of the Corporation may revoke these resolutions and abandon the continuance, in whole or in part, without any further approval of Shareholders; and
6. any two directors or officers of the Corporation are hereby authorized and directed to execute or cause to be executed, whether under corporate seal or otherwise, and to deliver or cause to be delivered, all such documents, agreements or instruments and to do or cause to be done all such acts and things, as in the opinion of such directors or officers may be necessary or desirable in connection with the foregoing resolutions, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or the doing of any such act or thing."

The Board believes the passing of the foregoing special resolution is in the best interests of the Corporation and recommends that Shareholders of the Corporation vote in favour of the resolution.

The persons named in the form of proxy accompanying this Information Circular intend to vote FOR the approval of the Continuance Resolution, unless the Shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be voted against the resolution approving the Continuance Resolution.

Dissent Rights

The following is a summary of the dissent rights of the Shareholders and is qualified in its entirety by the provisions of Section 185 of the OBCA, the full text of which is attached to this Information Circular as Schedule "D".

Pursuant to the OBCA, Registered Shareholders have the right to dissent with respect to the Continuance Resolution by sending a written objection (the "**Dissent Notice**") to such resolution to the registered office of the Corporation at or before the Meeting. The registered office address of the Corporation is 4 Brule Gardens, Toronto, Ontario V6S 4J2.

Only Registered Shareholders may dissent. Beneficial Shareholders who wish to dissent should be aware that they may only do so through the registered owner of such Common Shares. Accordingly, a Beneficial Shareholder who desires to exercise the right of dissent must make arrangements for the Common Shares beneficially owned by such holder to be registered in the holder's name prior to the time the written objection to the Continuance Resolution is required to be sent to the Corporation or, alternatively, make arrangements for the registered holder of such Common Shares to dissent on the holder's behalf.

Each Shareholder who properly dissents ("**Dissenting Shareholder**") will be entitled to be paid the fair value of the Common Shares in respect of which such holder dissents in accordance with Section 185 of the OBCA. A proxy submitted instructing the proxyholder to vote against the Continuance Resolution, an abstention or a vote against the Continuance Resolution will not constitute a Dissent Notice. The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote; however, **a Registered Shareholder who has submitted a Dissent Notice and who votes in favour of the Continuance Resolution will no longer be considered a Dissenting Shareholder. Any Shareholder who has voted in favour of the Continuance Resolution, in person or by proxy, shall not be accorded the right to dissent.**

The statutory provisions covering the right to dissent are technical and complex. **Failure to strictly comply with the requirements set forth in Section 185 of the OBCA may result in the loss of any right to dissent. A Dissenting Shareholder may dissent only with respect to all of the Common Shares held by such Dissenting Shareholder, or on behalf of any one Beneficial Shareholder and registered in the Dissenting Shareholder's name.**

Within 10 days after the approval of the Continuance Resolution by Shareholders, the Corporation is required to send notice to each Dissenting Shareholder who properly delivered a Dissent Notice, has otherwise complied with the requirements of Section 185 of the OBCA and has not withdrawn the Dissent Notice, that the Continuance Resolution has been approved. A Dissenting Shareholder must, within 20 days after receiving such notification or, if such notification is not received, within 20 days after learning that the Continuance Resolution has been approved, send to the Corporation at its registered address set forth above, a written notice (a "**Payment Demand**") containing the Dissenting Shareholder's name and address, the number of Common Shares in respect of which that Dissenting Shareholder dissents and a demand for payment of the fair value of such Common Shares. Within 30 days after sending the Payment Demand, a Dissenting Shareholder must send the certificate(s) representing the Common Shares in respect of which such Dissenting Shareholder dissents to the Corporation at its registered address set forth above. A Dissenting Shareholder who fails to make a Payment Demand or send such certificates within the aforementioned time limits, as the case may be, forfeits his, her or its right to make a claim under section 185 of the OBCA. The Corporation or Odyssey Trust Company will endorse on such certificates a notice that the holder thereof is a Dissenting Shareholder under section 185 of the OBCA and will forthwith return such certificates to the Dissenting Shareholder.

On filing a Payment Demand, a Dissenting Shareholder ceases to have any rights as a Shareholder, other than the right to be paid the fair value of such Dissenting Shareholder's Common Shares as determined under Section 185 of the OBCA, except where (a) the Dissenting Shareholder withdraws the Payment Demand before the Corporation makes an Offer to Pay (as defined below), (b) the Corporation fails to make a timely Offer to Pay and the Dissenting Shareholder withdraws the Payment Demand or (c) the Board revokes the Continuance Resolution, in which case the Corporation will be required to reinstate the Dissenting Shareholder's rights as a Shareholder.

The Corporation is required, not later than 7 days after the later of the effective date of the Continuance or the date on which the Corporation received a Payment Demand from a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Payment Demand to it a written offer to pay ("**Offer to Pay**") for such Dissenting Shareholder's Common Shares in an amount considered by the Board to be the fair value thereof, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay, as between shares of the same class, must be on the same terms. The amount specified in the Offer to Pay which has been accepted by a Dissenting Shareholder shall be paid by the Corporation within 10 days after the acceptance by the Dissenting Shareholder of the Offer to Pay, but any such Offer to Pay lapses if the Corporation does not receive an acceptance thereof within 30 days after the Offer to Pay has been made.

If the Corporation fails to make an Offer to Pay or if a Dissenting Shareholder fails to accept an Offer to Pay, the Corporation may, within 50 days after the effective date of the Continuance or within such further period as a court may allow, apply to a court to fix a fair value for the Common Shares of Dissenting Shareholders. If the Corporation fails to apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of 20 days or within such further period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application. Upon an application to a court, all Dissenting Shareholders whose Common Shares have not been purchased by the Corporation will be joined as parties and bound by the decision of the court, and the Corporation will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of such Dissenting Shareholder's right to appear and be heard in person or by counsel. Upon any such application to a court, the court may determine whether any person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the Common Shares of all Dissenting Shareholders. The final order of a court will be rendered against the Corporation in favour of each Dissenting Shareholder and for the amount of the fair value of such Dissenting Shareholder's Common Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the effective date of the Continuance until the date of payment.

THE FOREGOING IS ONLY A SUMMARY OF SECTION 185 OF THE OBCA. IT IS STRONGLY SUGGESTED THAT ANY SHAREHOLDERS WISHING TO DISSENT SEEK INDEPENDENT LEGAL ADVICE WELL IN ADVANCE OF THE MEETING, AS THE FAILURE TO STRICTLY COMPLY WITH THE PROVISIONS OF THE OBCA MAY PREJUDICE SUCH SHAREHOLDER'S RIGHT TO DISSENT.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available at www.sedar.com and upon request from the Corporation at Suite 970, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9, telephone no.: 778.899.3050 or email: jhanson@outbackgoldfields.com. Copies of documents referred to above will be provided, upon request, free of charge to security holders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a security holder of the Corporation, who requests a copy of any such document.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

APPROVAL OF BOARD

The contents and the sending of this Information Circular have been approved by the Board on October 20, 2020.

DATED at Vancouver, British Columbia, on October 20, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

“Craig Parry”

Craig Parry
Chairman

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

The following Audit Committee Charter was adopted by the Audit Committee of the Board of Directors and the Board of Directors of Skarb Exploration Corp. (the "Company")

Mandate

The primary function of the audit committee (the "Committee") is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet a least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- review and update this Audit Committee Charter annually; and

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

External Auditors

- review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
- obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
- review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
- take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
- recommend to the Company's Board of Directors the compensation to be paid to the external auditors;
- at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
 - such services were not recognized by the Company at the time of the engagement to be non-audit services, and
 - such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;
- following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- review certification process;
- establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
- establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

- review any related-party transactions;
- engage independent counsel and other advisors as it determines necessary to carry out its duties; and
- to set and pay compensation for any independent counsel and other advisors employed by the Committee.

SCHEDULE “B”
Comparison of Rights Under the OBCA and the BCBCA

Charter Documents

Under the BCBCA, the charter documents of a company will consist of a Notice of Articles, which sets forth the name of the company and the authorized share structure (including the amount and type of authorized capital), and Articles, which will govern the management of the company following the Continuance. The Notice of Articles is filed with the Registrar and the Articles will be maintained at the company's registered and records office.

Under the OBCA, a company has Articles of Incorporation, Articles of Amendments, Articles of Amalgamation or Articles of Continuance, which set forth, among other things, the name of the company and the amount and type of authorized capital, and by-laws, which govern the management of the company. Articles are filed with the Director under the OBCA and the by-laws are maintained at the company's registered and records office.

The Continuance and the adoption of the Notice of Articles and Articles will not result in any substantive changes to the constitution, powers or management of the Company, except as otherwise described herein.

Therefore, the current by-laws of the Company, which are suitable for a corporation governed by the OBCA and not for a corporation governed by the BCBCA, will have to be changed to the Notice of Articles and the Articles, which are suitable for a BCBCA corporation. The repeal of the existing by-laws of the Company, and the adoption of the Notice of Articles and the Articles, has been approved by the directors, subject to the prior completion of the Continuance. Upon the Continuance becoming effective, the former by-laws of the Company will be repealed and replaced by the Notice of Articles and the Articles, a copy of which is attached hereto as Schedule “C”.

Sale of a Company's Undertaking

Under the BCBCA, the directors of a company may sell, lease or otherwise dispose of all or substantially all of the business or undertaking of the company only if it is in the ordinary course of the company's business or with shareholder approval authorized by special resolution. Under the BCBCA, a special resolution requires the approval of a "special majority", which means the majority specified in a company's Articles of at least two-thirds and not more than by three-quarters of the votes cast by those shareholders voting in person or by proxy at a general meeting of the company. If the Articles do not contain a provision stipulating the special majority (no provision is proposed for the Company) then a special resolution is passed by at least two-thirds of the votes cast on the resolution.

The OBCA requires 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 property of the company. Holders of shares of a class or series, whether or not they are otherwise entitled to vote, 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 of a Company

Changes to the Notice of Articles or Articles of a company under the BCBCA are affected by the type of resolution specified by the BCBCA, or, if the BCBCA does not specify the type of resolution, by the type of resolution specified in the Articles of the company, or, if neither the BCBCA nor the Articles specify

the type of resolution, by a special resolution. This means that many alterations, including change of name or other alterations to the Articles, could be authorized solely by a resolution of the directors. In the absence of anything in the Articles (and no special provisions are proposed for the Company), most corporate alterations will require a special resolution. Alteration of 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 continuation of a company out of the jurisdiction requires a special resolution as described above. Under the OBCA, certain fundamental changes to the constating 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 alteration and, where certain specified rights of the holders of a class of shares are affected differently by the alteration 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 such class, or series, as the case may be, even if such class or series is not otherwise entitled to vote. A resolution to amalgamate an OBCA 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

The BCBCA provides that shareholders, including beneficial holders through a registered shareholder, who dissent from 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 a company proposes to:

- alter the Articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- adopt an amalgamation agreement;
- approve an amalgamation under Division 4 of Part 9 of the BCBCA;
- approve an arrangement, the terms of which arrangement permit dissent;
- authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- authorize the continuation of the company into a jurisdiction other than British Columbia; or
- take any other action where the resolution provides for a right of dissent.

The OBCA contains a similar dissent remedy, although the procedure for exercising this remedy is less detailed than the procedure contained in the BCBCA. The dissent provisions of the OBCA are set forth in Schedule "D" to this Circular.

Oppression Remedies

Under the OBCA, a shareholder, beneficial shareholder, former shareholder or former beneficial shareholder, director, former director, officer or former officer 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, and in the case of an offering company, the Ontario Securities Commission, 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 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. The oppression remedy under the BCBCA is similar to the remedy found in the OBCA, with a few differences. Under the OBCA, the applicant can complain not only about acts of the company and its directors but also acts of an affiliate of

the company and the affiliate's directors, whereas under the BCBCA, the shareholder can only complain of oppressive conduct of the company. Under the BCBCA the applicant must bring the application in a "timely manner", which is not required under the OBCA. In addition, while under OBCA a company is prohibited from making a payment to a successful applicant in an oppression claim if there are reasonable grounds for believing that (a) the Company is, or after the payment, would be unable to pay its liabilities as they become due, or (b) the realization value of the Company's assets would thereby be less than the aggregate of its liabilities. Under the BCBCA the company must make as much of the payment as possible and pay the balance when the company is able to do so.

Shareholder Derivative Actions

Under the BCBCA, a shareholder, including a beneficial shareholder or a director of a company, or any other person the court considers to be an appropriate person to bring a derivative action, may, with leave of the court, bring an action in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a company.

A broader right to bring a derivative action is contained in the OBCA and this right extends to shareholders, former shareholders, beneficial shareholders, directors or officers of a company or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the OBCA permits derivative actions to be commenced in the name and on behalf of a company or any of its subsidiaries.

Requisition of Meetings

The OBCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of the shareholders of the company for the purposes stated in the 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.

The BCBCA provides that shareholders who hold at least 1/20th of the issued voting shares of the company that carry the right to vote at general meetings may give notice to the directors requiring them to call and hold a general meeting for the purpose of transacting any business that may be transacted at a general meeting, which meeting must be held within 4 months. The procedures required to requisition a meeting under the BCBCA are more formal than the procedure under the OBCA.

Form of Proxy and Information Circular

The BCBCA requires a reporting company to provide with each notice of a general meeting a form of proxy for use by every shareholder entitled to vote at such meeting as well as an information circular containing prescribed information regarding the matters to be dealt with at the meeting. The required information is substantially the same as the requirements that apply to the Company under applicable securities laws. **Note, however, the additional provision that if shareholders who hold shares that carry at least 1/10th of the voting rights that may be exercised on the election or appointment of directors at a meeting to deliver a nomination for director to a company at least 35 days before the date of the meeting that includes required information, the company must include the information in its information circular.**

The OBCA contains provisions which likewise require the mandatory solicitation of proxies and delivery of a management proxy circular.

Place of Meetings

The OBCA provides that meetings of shareholders may be held either inside or outside Ontario as the directors may determine.

The BCBCA requires all meetings of shareholders to be held in British Columbia unless: (a) a location outside British Columbia is provided for in the company's Articles; (b) the Articles do not restrict the company from approving a location outside British Columbia and the location is approved by the resolution required by the Articles for that purpose or if the Articles do not provide it is approved by an ordinary resolution; or (c) the location is approved in writing by the Registrar under the BCBCA before the meeting is held.

Directors

The BCBCA provides that a public company must have at least three directors but does not have any residency requirements for a company's directors.

The OBCA requires that at least 25% of a company's directors be resident Canadians. Restrictions on

Share Transfers

The BCBCA does not prohibit share transfer restrictions.

Under the OBCA, only certain limited restrictions on transfer are permitted if offering to the public.

Meaning of "Insolvent"

Under the OBCA, a company may not pay dividends or purchase or redeem its shares if there are reasonable grounds for believing (i) it is or would be unable to pay its liabilities as they become due; or (ii) it would not meet a net asset solvency test. The net asset solvency tests for different purposes vary somewhat.

Under the BCBCA, for purposes of the insolvency test that must be passed for the payment of dividends and purchases and redemptions of shares, "insolvent" is defined to mean when a company is unable to pay its debts as they become due in the ordinary course of its business. Unlike the OBCA, the BCBCA does not impose a net asset solvency test for these purposes. For purposes of proceedings to dissolve or liquidate, the definition of "insolvent" from federal bankruptcy legislation applies.

Reduction of Capital

Under the BCBCA, capital may be reduced by special resolution or court order. A court order is required if the realizable value of the company's assets would, after the reduction of capital, be less than the aggregate of its liabilities.

Under the OBCA, capital may be reduced by special resolution but not if reasonable grounds for believing that, after the reduction, (i) the company would be unable to pay its liabilities as they become due; or (ii) the realizable value of the company's assets would be less than its liabilities.

Shareholder Proposals

The OBCA allows shareholders entitled to vote to submit a notice of a proposal.

The BCBCA includes a more detailed regime for shareholders' proposals than the OBCA. For example, a person submitting a proposal must have been the registered or beneficial owner of one or more voting

shares for at least 2 years before signing the proposal. In addition, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of (i) at least 1% of the company's voting shares, or (ii) shares with a fair market value exceeding an amount prescribed by regulation (at present, \$2,000).

Amalgamations

The BCBCA allows for amalgamation effected with court approval. A company may amalgamate with a company from a foreign jurisdiction and carry on as either a BC company or, if allowed by the foreign jurisdiction, a company organized under the foreign jurisdiction.

The OBCA does not provide a provision for amalgamation pursuant to court approval. Interjurisdictional amalgamation is not available, in order to amalgamate either the Ontario corporation must first continue out of Ontario into the foreign jurisdiction or the foreign corporation must first continue into Ontario.

Compulsory Acquisition

The OBCA provides a right of compulsory acquisition for an offeror that acquires 90% of the target securities pursuant to a take-over bid, other than securities held at the date of the bid by or on behalf of the offeror.

The BCBCA provides a substantively similar right although there are differences in the procedures and process. Unlike the OBCA, BCBCA provides that where an offeror does not use the compulsory acquisition right when entitled to do so, a securityholder who did not accept the original offer may require the offeror to acquire the securityholder's securities on the same terms contained in the original offer.

Investigation/Appointment of Inspectors

Under the BCBCA, a company may appoint an inspector by special resolution. Shareholders holding at least 1/5 of the issued shares of a company may apply to the court for the appointment of an inspector. The court must consider whether there are reasonable grounds for believing there has been oppressive, unfairly prejudicial, fraudulent, unlawful or dishonest conduct.

Under the OBCA, shareholders can apply to the court for the appointment of an inspector. Unlike the BCBCA, the OBCA does not require an applicant to hold a specified number of shares.

Status as a British Columbia Company

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

As an Ontario corporation, the Company's charter documents consist of Articles of Incorporation and bylaws and any amendments thereto to date. On completion of the Continuance, the Company will cease to be governed by the OBCA and will thereafter be deemed to have been formed under the BCBCA. As part of the Continuance Resolution, Shareholders will be asked to approve the adoption of Notice of Articles and Articles which comply with the requirements of the BCBCA. There are some differences in shareholder rights under the BCBCA and the OBCA and under the constating documents proposed to be adopted by the Company upon the Continuance under the BCBCA as described previously.

Shareholders' Rights of Dissent in Respect of the Continuance

Pursuant to the provisions of Section 185 of the OBCA, any registered holder of Common Shares (for the purposes of this section, any such registered holder is referred to as a "**Registered Shareholder**") has the

right to dissent from the Continuance Resolution, and, if such Registered Shareholder dissents in the manner as provided in the OBCA and the action approved by the resolution from which the Registered Shareholder dissents becomes effective, such Registered Shareholder is entitled to be paid the fair value of its Common Shares determined as of the close of business on the day before the applicable resolution is adopted. The following is a summary of the rights of a Registered Shareholder of the Company to dissent. It is not a comprehensive statement of the procedures to be followed by a Registered Shareholder who seeks payment of the fair value of its Common Shares, and is qualified in its entirety by reference to Section 185 of the OBCA. For full details as to the manner in which the right of dissent is to be implemented, Section 185 of the OBCA should be consulted, a copy of which is set forth in Schedule “D” to this Circular. It is recommended that Registered Shareholders who wish to pursue rights of dissent consult their own legal advisor with respect to the relevant statutory provisions and the procedures to be followed. Failure to comply with the provisions of Section 185 of the OBCA and to adhere to the strict procedures established in the section may result in the loss of all rights under such section.

A Registered Shareholder may only exercise the right of dissent under Section 185 of the OBCA in respect of Common Shares which are registered in that holder's name. A Registered Shareholder may not exercise its right of dissent with respect to only a partial number of Common Shares. Any Registered Shareholder who wishes to dissent must provide the Company with a written objection to the Continuance Resolution, at or prior to the Meeting. The execution or exercise of a proxy does not constitute a written objection. A vote in favour of the Continuance Resolution will deprive a Registered Shareholder of further rights pursuant to Section 185 of the OBCA.

On receipt of notice from the Company that the Continuance Resolution has been adopted or passed, such dissenting Registered Shareholder must within twenty days after receipt of such notice (or if such notice is not received, within twenty days of learning that the Continuance Resolution has been adopted) send to the Company a written notice containing its name and address, the number and class of Common Shares in respect of which it dissents and a demand for payment of the fair value of such Common Shares. Within thirty days thereafter the dissenting Registered Shareholder must send the certificates representing the Common Shares in respect of which it dissents to the Company.

Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent, should be aware that only the registered owners of such Common Shares are entitled to dissent. Accordingly, a beneficial owner of Common Shares desiring to exercise a right of dissent to the Continuance Resolution must make arrangements for Common Shares that are beneficially owned by the person to be registered in the person's name prior to the time the written objection to the Continuance Resolution is required to be received by the Company, or, alternatively, make arrangements for the Registered Shareholder of the Shares to dissent on the person's behalf. As noted above, a Registered Shareholder may not exercise its right of dissent with respect to only a partial number of Common Shares.

SCHEDULE “C”

OUTBACK GOLDFIELDS CORP. (the “Company”)

The Company has as its articles the following articles.

Continuation Number: _____

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) “board of directors”, “directors” and “board” mean the directors or sole director of the Company for the time being;

- (2) “Business Corporations Act” means the *Business Corporations Act* (British Columbia) as amended from time to time and includes all regulations as amended from time to time made pursuant to that Act;
- (3) “legal personal representative” means the personal or other legal representative of the shareholder;
- (4) “registered address” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (5) “seal” means the seal of the Company, if any.

1.2 *Business Corporations Act and Interpretation Act Definitions Applicable*

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

2. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

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

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*. The directors may, by resolution, provide that; (a) the shares of any or all of the classes and series of the Company’s shares must be uncertificated shares; or (b) any specified shares must be uncertificated shares. Within reasonable time after the issue or transfer of a share that is an uncertificated share, the Company must send to the shareholder a written notice in accordance with the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is registered owner are uncertificated shares, each shareholder is entitled, on request and at the shareholder’s option, to receive, without charge, (a) one share certificate representing the shares of each class or series of shares registered in the shareholder’s name or (b) a non-transferable written acknowledgment of the shareholder’s right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a

share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

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

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment

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

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

2.7 Splitting Share Certificates

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

2.8 Certificate Fee

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

2.9 Recognition of Trusts

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

3. ISSUE OF SHARES

3.1 Directors Authorized

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

3.2 Commissions and Discounts

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

3.3 Brokerage

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

3.4 Conditions of Issue

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

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (a) past services performed for the Company;
 - (b) property;
 - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

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

4. SHARE REGISTERS

4.1 Central Securities Register

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

4.2 Closing Register

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

5. SHARE TRANSFERS

5.1 Registering Transfers

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

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

5.2 Form of Instrument of Transfer

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

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

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

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

5.5 Enquiry as to Title Not Required

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

5.6 Transfer Fee

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

6. TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

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

6.2 Rights of Legal Personal Representative

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

7. PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

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

7.2 Purchase When Insolvent

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

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

7.3 Sale and Voting of Purchased 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:

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

8. BORROWING POWERS

The Company, if authorized by the directors, may:

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

9. ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by resolution of the directors:

- (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (2) 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;
- (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (4) if the Company is authorized to issue shares of a class of shares with par value:
 - (a) decrease the par value of those shares; or
 - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (5) 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;
- (6) alter the identifying name of any of its shares; or
- (7) 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:

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

9.3 Change of Name

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

9.4 Other Alterations

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

10. MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

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

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

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

10.4 Notice for Meetings of Shareholders

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

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

10.5 Record Date for Notice

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

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

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

10.6 Record Date for Voting

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

10.7 Failure to Give Notice and Waiver of Notice

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

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

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

10.9 Location of Annual General Meeting

The Company may by resolution of the directors choose a location outside of British Columbia for the purpose of the meeting.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;
 - (f) the appointment of an auditor;
 - (g) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (h) 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 shareholders entitled to vote at the meeting whether in person or by proxy who hold, in the aggregate, 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:

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

11.5 Other Persons May Attend

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

11.6 Requirement of Quorum

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

11.7 Lack of Quorum

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

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

11.8 Lack of Quorum at Succeeding Meeting

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

11.9 Chair

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

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

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present

at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

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

11.12 Notice of Adjourned Meeting

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

11.13 Decisions by Show of Hands or Poll

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

11.14 Declaration of Result

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

11.15 Motion Need Not be Seconded

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

11.16 Casting Vote

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

11.17 Manner of Taking Poll

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

- (1) the poll must be taken:
 - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (b) in the manner, at the time and at the place that the chair of the meeting directs;
- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

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

11.19 Chair Must Resolve Dispute

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

11.20 Casting of Votes

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

11.21 Demand for Poll

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

11.22 Demand for Poll Not to Prevent Continuance of Meeting

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

11.23 Retention of Ballots and Proxies

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

12. VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

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

- (1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

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

12.3 Votes by Joint Holders

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

- (1) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting, 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:

- (1) for that purpose, the instrument appointing a representative 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 for the receipt of

proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or

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

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

12.6 Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, Articles 12.7 to 12.14 apply only insofar as they are not inconsistent with any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and insofar as they are not inconsistent with the regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commission or similar authorities appointed under that legislation.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders who need not be shareholders to act in the place of an absent proxy holder.

12.9 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (2) 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.

12.10 Validity of Proxy Vote

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

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

12.11 Form of Proxy

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

[name of company]

(the "Company")

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

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

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder - printed]

12.12 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (1) 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
- (2) provided, at the meeting, to the chair of the meeting.

12.13 Revocation of Proxy Must Be Signed

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

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

12.14 Production of Evidence of Authority to Vote

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

13. DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;
- (2) if the Company is a public company, the greater of three and the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (b) the number of directors set under Article 14.4;
- (3) if the Company is not a public company, the most recently set of:
 - (a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

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

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

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

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

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

13.8 Gratuity, Pension or Allowance on Retirement of Director

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

14. ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

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

- (1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

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

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

- (3) the date on which his or her successor is elected or appointed; and
- (4) 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 purposes of appointing directors up to that number, 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:

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

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(1), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

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

14.10 Removal of Director by Shareholders

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

14.11 Removal of Director by Directors

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

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

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

15.2 Notice of Meetings

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

15.3 Alternate for More Than One Director Attending Meetings

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

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

15.4 Consent Resolutions

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

15.5 Alternate Director Not an Agent

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

15.6 Revocation of Appointment of Alternate Director

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

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

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

15.8 Remuneration and Expenses of Alternate Director

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

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

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

16.2 Appointment of Attorney of Company

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

16.3 Remuneration of the auditor

The directors may set the remuneration of the auditor without the prior approval of the shareholders.

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1 Obligation to Account for Profits

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

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that

contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

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

17.4 Disclosure of Conflict of Interest or Property

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

17.5 Director Holding Other Office in the Company

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

17.6 No Disqualification

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

17.7 Professional Services by Director or Officer

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

17.8 Director or Officer in Other Corporations

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

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

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

18.2 Voting at Meetings

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

18.3 Chair of Meetings

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

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

18.4 Meetings by Telephone or Other Communications Medium

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

18.5 Calling of Meetings

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

18.6 Notice of Meetings

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

18.7 When Notice Not Required

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

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

18.8 Meeting Valid Despite Failure to Give Notice

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

18.9 Waiver of Notice of Meetings

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

18.10 Quorum

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

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent Resolutions in Writing

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

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consents to it in writing.

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

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

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

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:
 - (a) the power to fill vacancies in the board of directors;

- (b) the power to remove a director;
 - (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
 - (d) the power to appoint or remove officers appointed by the directors; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

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

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

19.4 Powers of Board

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

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

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

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

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

20. OFFICERS

20.1 Directors May Appoint Officers

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

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

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

20.3 Qualifications

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

20.4 Remuneration and Terms of Appointment

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

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

- (1) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or

alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

- (a) is or may be joined as a party; or
 - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “expenses” has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors and Former Directors

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

21.3 Indemnification of Other Persons

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

21.4 Non-Compliance with Business Corporations Act

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

21.5 Company May Purchase Insurance

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

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

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

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

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

22.2 Declaration of Dividends

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

22.3 No Notice Required

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

22.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5:00 p.m. on the date on which the directors pass the resolution declaring the dividend.

22.5 Manner of Paying Dividend

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

22.6 Settlement of Difficulties

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

- (1) set the value for distribution of specific assets;
- (2) 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
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance with Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

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

22.13 Capitalization of Surplus

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

23. DOCUMENTS, RECORDS AND REPORTS

23.1 Recording of Financial Affairs

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

23.2 Inspection of Accounting Records

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

24. NOTICES

24.1 Method of Giving Notice

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

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

24.2 Deemed Receipt of Mailing

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

24.3 Certificate of Sending

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

record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

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

24.5 Notice to Trustees

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

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

25. SEAL

25.1 Who May Attest Seal

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

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

25.2 Sealing Copies

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

25.3 Mechanical Reproduction of Seal

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

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

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

26.2 Application

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

26.3 Consent Required for Transfer of Shares or Designated Securities

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

Dated the _____ day of _____, 2020

<@>, Director

SCHEDULE “D”
OBCA Provisions

Rights of dissenting shareholders

- 185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,
- (a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
 - (b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
 - (c) amalgamate with another corporation under sections 175 and 176;
 - (d) be continued under the laws of another jurisdiction under section 181;
- (d.1) be continued under the *Co-operative Corporations Act* under section 181.1;
- (d.2) be continued under the *Not-for-Profit Corporations Act, 2010* under section 181.2; or
- (e) sell, lease or exchange all or substantially all its property under subsection 184 (3), a holder of shares of any class or series entitled to vote on the resolution may dissent.

Idem

- (2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,
- (a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or
 - (b) subsection 170 (5) or (6).

One class of shares

- (2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Exception

- (3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,
- (a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within

twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

- (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);
- (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or
- (c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

- (a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or
- (b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,
 - (i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and
 - (ii) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

- (a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and
- (b) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

- (a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer

lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

- (a) has sent to the corporation the notice referred to in subsection (10); and
- (b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

- (a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

- (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.