

**CAIRO RESOURCES INC.**

**Annual General and Special Meeting**

**to be held on April 6, 2020**

**Notice of Annual General and Special Meeting  
and  
Information Circular**

**March 4, 2020**

## CAIRO RESOURCES INC.

Suite 1430, 800 West Pender Street, Vancouver, B.C., V6C 2V6  
Telephone: 604-638-8063

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Cairo Resources Inc. (the “**Company**”) will be held at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia on April 6, 2020 at 10:00 a.m. (Vancouver, British Columbia time), for the following purposes:

1. to receive the audited financial statements of the Company for each of the financial years ended February 28, 2019, February 28, 2018 and February 28, 2017, together with each of the related auditors’ report thereon;
2. to consider and, and if thought fit, to pass an ordinary resolution to fix the number of members of the board of directors of the Company (the “**Board**”) at three (3);
3. to elect directors of the Company to serve from the close of the Meeting until the next annual meeting of the shareholders, or until such time as their successors are duly elected or appointed in accordance with the Company’s constating documents;
4. to appoint Smythe LLP, as the auditor of the Company for the ensuing year at a remuneration to be fixed by the Board;
5. to consider, and if thought fit, to pass, with or without variation, a special resolution to approve a consolidation of the outstanding common shares (the “**Common Shares**”) in the authorized capital of the Company on a basis of one (1) post-consolidation Common Share for every one and two-tenths (1.2) pre-consolidation Common Shares (the “**Consolidation**”), the final Consolidation ratio and the determination of when and if to effect such Consolidation being at the discretion of the Board to determine from time to time;
6. to consider and, if thought fit, approve the special resolution adopting new *Business Corporations Act* (British Columbia) (“**BCBCA**”) Articles (the “**New Articles**”) which will include advance notice provisions;
7. to consider and, and if thought fit, to pass an ordinary resolution to fix the number of members of the Board at five (5), conditional and effective upon the closing of the proposed business combination transaction (the “**Business Combination**”) between the Company and Swarmio Inc. (“**Swarmio**”) as described in the accompanying management information circular of the Company (the “**Information Circular**”) prepared for the purpose of the Meeting (the “**Business Combination Election of Directors**”);
8. to consider and, and if thought fit, to pass an ordinary resolution to elect the directors of the Company, conditional and effective upon the closing of the Business Combination (the “**Business Combination Election of Directors**”);
9. to appoint Grant Thornton LLP as the auditor of the Company to hold office, conditional and effective upon the closing of the Business Combination and to authorize the directors of the

Company to fix the remuneration of the auditor so appointed (the “**Business Combination Auditor Resolution**”);

10. to consider, and if deemed advisable, pass, with or without variation, an ordinary resolution to approve, conditional and effective upon the closing of the Business Combination, the new stock option plan of the Company (the “**Business Combination Stock Option Plan Resolution**”); and
11. to transact such other business as may be properly brought before the Meeting or any adjournment(s) thereof.

All shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board requests that all shareholders who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (“**Computershare**”). If a shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by 10:00 a.m. (Vancouver, British Columbia time) on April 2, 2020 (or before 48 hours, excluding Saturdays, Sundays and holidays before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only shareholders of record at the close of business on February 28, 2020 will be entitled to vote at the Meeting.

The Information Circular accompanying this Notice contains details of matters to be considered at the Meeting. No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

DATED at Vancouver, British Columbia, the 4th day of March, 2020.

**ON BEHALF OF THE BOARD**

*“Darryl S. Cardey”*

Darryl S. Cardey,  
Chief Executive Officer

## **CAIRO RESOURCES INC.**

Suite 800, 789 West Pender Street  
Vancouver, B.C., V6C 1H2  
Telephone: 604-638-8067

### **INFORMATION CIRCULAR**

(as at March 4, 2020 except as otherwise indicated)

#### **SOLICITATION OF PROXIES**

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by the management of Cairo Resources Inc. (the “**Company**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general and special meeting of the shareholders of the Company to be held on April 6, 2020 (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Company will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

#### **APPOINTMENT AND REVOCATION OF PROXY**

The persons named in the Proxy are directors and/or officers of the Company. A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided. The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by 10:00 a.m. (local time in Vancouver, British Columbia) on April 2, 2020, or before 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

#### **Provisions Relating to Voting of Proxies**

**The Common Shares represented by Proxy in the form provided to shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those Common Shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of**

printing of this Circular, the management of the Company (“Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

#### Advice to Beneficial Holders of Common Shares

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Company’s registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those Common Shares will, in all likelihood, not be registered in the shareholder’s name. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co., the registration name for The Depository Trust Company, which acts as nominee for many United States brokerage firms. Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Common Shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**NOBOs**”). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), issuers may request and obtain a list of their NOBOs from intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a NOBO and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Common Shares on your behalf.

Pursuant to the provisions of NI 54-101, the Company is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and NOBOs. By choosing to send these materials to you directly, the Company (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, if you are a NOBO, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Company’s NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

The Company’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents. The Company will assume the costs associated with the delivery of the Notice of Meeting, Circular and VIF, as set out above, to OBOs by intermediaries.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Company or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder. If such a request is received, the Company or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Company or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on April 1, 2020. **A NOBO shareholder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

All references to shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered shareholders of the Company as set forth on the list of registered shareholders of the Company as maintained by the registrar and transfer agent of the Company, Computershare, unless specifically stated otherwise.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last two completed financial years of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, the appointment of the auditor and as may be set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Company's authorized capital consists of an unlimited number of Common Shares of which 1,881,473 Common Shares are issued and outstanding. All Common Shares in the capital of the Company carry the right to one vote.

Shareholders registered as at February 28, 2020, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Company, as of the date of this Information Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying 10% or more of the voting rights attached to all issued and outstanding Common Shares:

Name and Current Position	Number and Percentage of Common Shares	
	(#)	(%)
Darryl S. Cardey <i>CEO, CFO, Secretary and Director</i>	243,333	12.93

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar regulatory authority in each of the Provinces of Alberta, British Columbia and Ontario at [www.sedar.com](http://www.sedar.com) are specifically incorporated by reference into, and form an integral part of, this Information Circular:

- The audited financial statements of the Company for the financial year ended February 28, 2017 and the related management's discussion and analysis as SEDAR filed on June 28, 2017.
- The audited financial statements of the Company for the financial year ended February 28, 2018 and the related management's discussion and analysis as SEDAR filed on June 28, 2018.
- The audited financial statements of the Company for the financial year ended February 28, 2019 and the related management's discussion and analysis as SEDAR filed on June 12, 2019.

Copies of documents incorporated herein by reference may also be obtained by a shareholder upon request without charge from the Company's Chief Financial Officer at +1-604-638-8063 or [dcardey@cdmcp.com](mailto:dcardey@cdmcp.com).

## VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as ordinary resolutions, except for the special resolutions approving the (1) Consolidation (as herein defined) of Common Shares and (2) the adoption of New Articles (as defined herein) which all require the affirmative vote of a two-thirds majority of the votes cast in person or by proxy at the Meeting. If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled all such nominees will be declared elected or appointed by acclamation.

## PARTICULARS OF MATTERS TO BE ACTED UPON

**In connection with the proposed Business Combination, including the amalgamation (the "Amalgamation") under the BCBCA, of a wholly-owned subsidiary of the Company and Swarmio ("Amalco"), as disclosed in the news release of the Company dated October 1, 2019 and filed on SEDAR at [www.sedar.com](http://www.sedar.com), as a condition of the Amalgamation the Company would be required to complete the Consolidation, elect the Swarmio board nominees, appoint new auditors and adopt a new stock option plan. Accordingly, the shareholders are asked to consider and approve, conditional on the Business Combination being completed, the matters listed below. If the Business Combination will not proceed, the Company will not implement such matters notwithstanding the approval of such matters at the Meeting.**

## PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the years ended February 28, 2019, February 28, 2018 and February 28, 2017, including the report of the auditor thereon, will be placed before the Meeting but no vote with respect thereto is required.

## SETTING THE NUMBER OF DIRECTORS

The Board presently consists of three (3) directors. The Board proposes that the number of directors to be elected to the Board be fixed at three (3). The Board is currently comprised of Darryl S. Cardey, Michael Sadhra and Paul S. Reynolds.

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

**"RESOLVED**, as an ordinary resolution, that the number of directors for election at this Meeting be set at three."

**In the absence of instruction to the contrary, the persons designated by management in the Proxy intend to vote "FOR" the preceding resolution.**

## ELECTION OF DIRECTORS

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the BCBCA, each director elected

will hold office until the conclusion of the next annual meeting of the Company or, if no director is then elected, until a successor is elected.

The following disclosure sets out the names of management’s three nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at March 4, 2020.

<b>Nominee Position with the Company and Residence</b>	<b>Date Elected or Appointed as a Director</b>	<b>Principal Occupation</b>	<b>Common Shares Beneficially Owned or Controlled</b>
<b>Darryl S. Cardey<sup>(1)</sup></b> <i>Chief Executive Officer, Chief Financial Officer, President, Secretary and Director</i> British Columbia, Canada	August 6, 2014	President of Cardey Management Corp., a private venture capital company, since 2000. Principal of CDM Capital Partners Inc., a private venture capital company, since April 2011. Officer and director of several public companies.	243,333
<b>Michael Sadhra<sup>(1)</sup></b> <i>Director</i> British Columbia, Canada	June 10, 2010	Tax Partner, Sadhra & Chow LLP, since May 2009.	70,000
<b>Paul S. Reynolds<sup>(1)</sup></b> <i>Director</i> British Columbia, Canada	August 6, 2014	Professional Geoscientist. President of Westview Consulting Ltd., a private geological and management consulting firm.	33,333

Note:

(1) Member of the Company’s Audit Committee.

### **Occupation, Business or Employment of Nominees**

#### ***Darryl S. Cardey – Chief Executive Officer, Chief Financial Officer, President, Secretary and a Director***

Mr. Cardey holds a Chartered Accountant designation from the Institute of Chartered Accountants, British Columbia. Over the past 19 years, Mr. Cardey has acted in senior financial roles with a wide variety of public and private companies in the oil and gas, mining and technology sectors.

#### ***Michael Sadhra – Director***

Mr. Sadhra holds a Bachelor of Commerce degree from the University of British Columbia (1991) and his Chartered Accountant designation from the Institute of Chartered Accountants, British Columbia. Over the

past 15 years, Mr. Sadhra has acted in senior financial roles with a variety of private and public companies, and is currently a partner at Sadhra & Chow LLP, a firm that specializes in mining taxation.

***Paul S. Reynolds – Director***

Mr. Reynolds holds a Bachelor of Science degree in Geology and has over 18 years of senior management experience with junior resource companies.

**Cease Trade Orders or Bankruptcies**

Within the last 10 years before the date of this Circular, no proposed nominee for election as a director of the Company was a director or executive officer of any company (including the Company in respect of which this Circular is prepared) or acted in that capacity for a company that was:

- (a) subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation for more than 30 consecutive days;
- (b) subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation for a period of more than 30 consecutive days;
- (c) 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; or has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director;
- (d) 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
- (e) subject to any other penalties or sanctions imposed by a court or a regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

**Conflicts of Interest**

Conflicts of interest may arise as a result of the directors, officers and promoters of the Company also holding positions as directors or officers of other companies. Some of the individuals who will be directors and officers of the Company have been and will continue to be engaged in the identification and evaluation of assets, businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers of the Company will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies provided under British Columbia corporate law. Directors who are in a position of conflict will abstain from voting on any matters relating to the conflicting company.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the nominees named herein as directors of the Company.**

#### **APPOINTMENT OF AUDITOR**

The persons named in the enclosed form of Proxy will vote for the reappointment of Smythe LLP, Chartered Professional Accountants, of 7<sup>th</sup> Floor, 355 Burrard Street, Vancouver, B.C., V6C 2G8, as auditor of the Company for the ensuing year, until the close of the next general meeting of the members, at a remuneration to be fixed by the directors.

#### **SHARE CONSOLIDATION**

In connection with the Amalgamation, the Board wishes to effect a consolidation of the Company's issued share capital on the basis of one (1) post-consolidation Common Share for each one and two tenths (1.2) pre-consolidation Common Shares (the "**Consolidation**"), subject to TSX Venture Exchange and regulatory approvals, the final Consolidation ratio and the determination of when and if to effect such Consolidation being at the discretion of the Board to determine from time to time. As at March 4, 2020, a total of 1,881,473 Common Shares, without par value, in the capital of the Company were issued and outstanding. There is currently no maximum number of authorized Common Shares and on effecting the Consolidation there will continue to be no maximum number of authorized Common Shares.

The Consolidation will affect all holders of Common Shares uniformly and will not change a shareholder's proportionate interest in the Company except to the extent that the Consolidation would otherwise result in any shareholder owning a fractional share.

In accordance with section 83 of the BCBCA, 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.

If shareholder and TSX Venture Exchange approval to the Consolidation is obtained, the Consolidation will take place following the Meeting at such time as the Board may determine. The Board may, in its discretion, determine whether or not to proceed without further approval, ratification or confirmation by shareholders.

Assuming the Consolidation is completed on a basis of one (1) post-consolidation Common Share for each one and two tenths (1.2) pre-consolidation Common Shares, the Consolidation will result in approximately 1,567,894 Common Shares issued and outstanding following the Consolidation.

Shareholders of the Company will be asked at the Meeting to approve the Consolidation. Pursuant to the Company's Articles, the Consolidation requires approval by special resolution of the shareholders, being two-thirds of the votes cast on the resolution.

Accordingly, shareholders will be asked at the Meeting to consider and if thought fit, pass an special resolution to approve the Consolidation (the "**Consolidation Resolution**").

At the Meeting shareholders will be asked to vote on the following special Consolidation Resolution, with or without variation:

**“RESOLVED**, as a special resolution, that:

1. the authorized share structure of the Company be altered by consolidating all of the issued and outstanding common shares of the Company, without par value, on the basis of one (1) post-consolidation common share for each one and two tenths (1.2) pre-consolidation common shares (the **“Consolidation”**), the final Consolidation ratio and the determination of when and if to effect such Consolidation being at the discretion of the Board to determine from time to time;
2. any fractional common shares remaining after conversion that are less than one-half of a common share shall be cancelled and each fractional common share that is at least one-half of a common share shall be changed to one whole common share pursuant to the provisions of section 83 of the BCBCA;
3. notwithstanding that the foregoing resolutions have been duly passed by the shareholders of the Company, the directors of the Company are hereby authorized and empowered, without further approval or authorization of the shareholders of the Company, to revoke any or all of these resolutions at any time prior to their being acted upon;
4. any director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver, or cause to be delivered, any necessary documents, and to do all such other acts or things as in the opinion of such director or officer of the Company as may be necessary or desirable in order to carry out the intent of the foregoing resolutions; and
5. at the date and time determined by the directors of the Company, the resolutions described herein shall be deposited at the Company’s records office and the Consolidation shall be effective.”

**The Board recommends you vote in favour of the Consolidation Resolution.**

**IN THE ABSENCE OF INSTRUCTIONS TO THE CONTRARY, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED THEREBY IN FAVOUR OF PASSING THE CONSOLIDATION RESOLUTION.**

#### **ADOPTION OF NEW ARTICLES**

The Company is proposing to adopt the New Articles to replace its current Articles in order to, among other things, (1) allow for the use of uncertificated shares, (2) incorporate advance notice provisions into its Articles, and (3) make various other changes reflecting current best practices to facilitate the governance of the Company.

The primary differences between the current Articles, which were adopted on February 8, 2010 and amended on July 5, 2011 and October 17, 2014, and the New Articles are as follows:

*(i) Use of Uncertificated Shares*

The New Articles will permit the use of electronic record-keeping and uncertificated securities. The material concerns which are reflected in the proposed New Articles include the following:

- If the shares of which a shareholder is the registered owner are not uncertificated shares, such shareholders will be entitled either to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name; or (b) a nontransferable written acknowledgment of the shareholder's right to obtain such a share certificate. Pursuant to the New Articles, shareholders holding uncertificated shares will receive written notice of any issue or transfer of those shares.
- The current Articles provide that for a share transfer to be effective the Company must receive a "duly signed instrument of transfer". In electronic delivery, in certain circumstances where transfers are effected by brokers on behalf of their clients, a signed instrument of transfer is not provided to the Company. The New Articles permit the transfer of shares to occur upon receipt by the Company or its transfer agent of a written instrument of transfer.
- The current Articles provide that the instrument of transfer must be in the form approved by the directors. The New Articles provide that the instrument of transfer must be in the form approved by the directors or by the transfer agent and registrar of the Company.

(ii) *Advance Notice Provisions*

The directors of the Company are proposing that advance notice provisions (the "**Advance Notice Provisions**") be adopted and, for greater certainty as to enforceability, be incorporated into the New Articles. The full text of the Advance Notice Provisions to be included in the New Articles is set out section 14 of the New Articles attached as Appendix "A" to this Information Circular.

The purpose of the Advance Notice Provisions is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. The Advance Notice Provisions is the framework by which the Company seeks to fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

***Effect of the Advance Notice Provisions***

Subject only to the BCBCA and the Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCBCA, or a requisition of the shareholders made in accordance with the provisions of the BCBCA; or (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provisions and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in the Advance Notice Provisions.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 40 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (D) a statement as to whether such person would be "independent" of the Company (within the meaning of applicable securities law) if elected as a director at such meeting and the reasons and basis for such determination; and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws (as defined below).

To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in the Advance Notice Provisions and the candidate for nomination, whether nominated by the Board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the meeting, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provisions; provided, however, that nothing in the Advance Notice Provisions shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of

directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCBCA. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of the Advance Notice Provisions : (a) “public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (b) “Applicable Securities Laws” means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each applicable provinces and territories of Canada.

Notwithstanding any other provision of the Advance Notice Provisions , notice or any delivery given to the Corporate Secretary of the Company pursuant to the Advance Notice Provisions may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day

(iii) *Alterations*

The current Articles set out that any alterations to the authorized share structure of the Company be passed by a special resolution, being a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholder who voted in respect of that resolution either in person or by proxy. The New Articles will provide that subject to the BCBCA, the Company may by ordinary resolution (a simple majority of affirmative votes) or by a resolution of the directors, in certain cases, alter the authorized share structure.

The current Articles set out that a change of name of the Company or a subdivision or consolidation of all or any of the Company’s shares may be made by a special resolution. The New Articles will permit the directors to change the name of the Company or adopt any translation of that name and to subdivide or consolidate all or any of the Company’s shares.

(iv) *Quorum*

The current Articles set out that the quorum for the transaction of business a meeting of shareholders is two persons who are, or represent by proxy, shareholders holding, in the aggregate, at least five percent of the issued shares entitled to be voted at the meeting.

The New Articles will provide for quorum to be “at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least five percent of the issued shares entitled to be voted at the meeting”.

(v) *Chair*

The current Articles set out that only the Chairman or President or one of the directors present at the shareholders' meeting may chair the meeting. The New Articles will provide that, in addition to the foregoing, the solicitor of Company may in certain circumstances chair the meeting.

(vi) *Proxy Provisions*

The New Articles will provide that a proxyholder need not be a shareholder of the Company and a proxy may be sent to the Company through the internet or by telephone voting or by email, as well as by written instrument and fax. The New Articles clarify that the proxy may also be revoked at an adjourned meeting.

(vii) *Directors*

The New Articles will provide that the number of directors for the Company may be set by a resolution of the directors. The current Articles set out that the number of directors is to be set by ordinary resolution of the shareholders.

(viii) *Powers of Management*

The New Articles will provide that the directors may set the remuneration of the auditor of the Company.

(ix) *Meeting of Directors*

The New Articles will provide that attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called and if no quorum is set for the transaction of business it is deemed that to be a majority of the directors may constitute a meeting.

(x) *Consent Resolutions of Directors*

The New Articles will provide that a resolution of the directors or any committee of directors may be passed without a meeting, in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

(xi) *Mailing*

The New Articles will provide that a notice, statement, report or other record may be faxed or emailed to a shareholder as well as mailed to the shareholder and if on two consecutive occasions, a notice, statement, report or other record sent to a shareholder is returned, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

### **Vote Required and Recommendation of the Board**

Under the Articles and the BCBCA, the adoption of the New Articles of the Company requires the approval of not less than two-thirds of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Company by a special resolution. Accordingly, shareholders will be asked at the

Meeting to vote on a special resolution, the text of which is set forth below to approve the adoption of the New Articles of the Company to include the above-referenced changes including the adoption of Advance Notice Provisions.

The Board has concluded that the above-referenced changes including the adoption of Advance Notice Provisions are in the best interests of the Company and its shareholders. Accordingly, the Board unanimously recommends that the shareholders approve the adoption of the New Articles of the Company by voting FOR the special resolution at the Meeting.

At the Meeting shareholders will be asked to vote on the following special resolution, with or without variation:

**“RESOLVED**, as a special resolution, that:

1. the existing Articles be deleted in their entirety and the New Articles substantially in the form as tabled at the Meeting be adopted as the Articles of the Company;
2. the adoption of the New Articles shall not take effect until this special resolution is received for deposit at the Company’s records office;
3. any director or officer of the Company is authorized to execute under the seal of the Company or otherwise and to deliver all agreements, documents, instruments and to take all further action as may be required to give effect herein; and
4. the directors be authorized to delay or abandon the implementation of this special resolution in their discretion.”

**EXCEPT WHERE A SHAREHOLDER WHO HAS GIVEN THE PROXY DIRECTS THAT HIS OR HER COMMON SHARES BE VOTED AGAINST SUCH RESOLUTION, THE APPOINTEES NAMED IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY FOR SUCH RESOLUTION.**

The proposed New Articles are available for inspection during regular business hours for the period before the Meeting at the Company’s registered and records office at Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia. Upon receipt of approvals to the amendments to the Articles, a complete set may be accessed on SEDAR.

#### **BUSINESS COMBINATION NUMBER OF DIRECTORS**

In accordance with the Articles, the Board proposes to increase the number of directors to be elected to the Board to five (5), conditional and effective upon the closing of the Business Combination.

At the Meeting, shareholders will be asked to vote on the following ordinary resolution, with or without variation:

**“RESOLVED**, as an ordinary resolution, that the number of directors for election be set at five, conditional and effective upon closing of the Business Combination.”

**In the absence of instruction to the contrary, the persons designated by management in the Proxy intend to vote “FOR” the preceding resolution.**

## BUSINESS COMBINATION ELECTION OF DIRECTORS

The following table sets forth the name of each of the persons proposed to be nominated for election as a director conditional and effective upon the closing of the Business Combination (the “**Swarmio Director Nominees**”), all positions and offices in the Company presently held by such nominee, the nominee’s municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Company that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Record Date.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation and Positions Held During the Last Five Years	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present	Percentage of Voting Shares Owned or Controlled
<b>Vijai Karthigesu</b> <i>Chief Executive Officer, President and Director</i> Ontario, Canada	2014 to Present – Co-Founder and CEO, Swarmio	N/A	Nil	N/A
<b>Andrew Ray</b> <i>Director</i> Nova Scotia, Canada	2014 to Present – Vice President, Investment & Investment Manger, Nova Scotia Innovation Corporation  2016 to Present – Director, SkySquirrel Technologies, Inc.  2016 to Present – Director, Swarmio  2016 to Present – Director, QRA Corp.  2016 to Present – Director, LeadSifts, Inc.  2014 to 2018 – Director, Pitch Perfect Software Inc.	N/A	Nil	N/A
<b>Malcolm Smith</b> <i>Director</i> Ontario, Canada	2016 to Present – Founder and Chief Executive Officer, West Harbour Capital  2010 to 2016 – CFO, CCO and Analyst, EdgeHill Partners	N/A	Nil	N/A
<b>Chuck Hartlan</b> <i>Director</i> Nova Scotia, Canada	2018 to Present – CEO, CGH Consulting Ltd.  2016 to Present – Director, Boomerswork Employment Services Inc.	N/A	Nil	N/A

	<p>2015 to 2018 – Director, MS Society of Canada</p> <p>2013 to 2015 – Director, Halifax Partnership</p> <p>2015 to 2016 – Executive Vice President, Customer Experience, Nova Scotia Power Inc.</p> <p>2007 to 2015 – Senior Vice President, Customer Experience, Bell Alliant Inc.</p>			
<p><b>Craig Fletcher</b> <i>Director</i> Southampton, United Kingdom</p>	<p>2015 to Present – Venture Partner and Investment Committee Member, Ascension Ventures Limited</p> <p>2018 to Present – Founder and Principal Consultant, Wicked Sick</p> <p>2016 to Present – Advisory Board Member, British Esports Association</p> <p>2018 to 2019 – Director, Game Sessions</p> <p>1998 to 2018 – Managing Director, Tsunami Interactive Limited</p> <p>2016 to 2017 – SVP, Esports and Competitive Gaming Strategy, Game Digital PLC</p> <p>1997 to 2016 – Founder and CEO, Multiplay</p>	N/A	Nil	N/A

***Biographies***

***Vijai Karthigesu – Chief Executive Officer, President and Director***

Mr. Karthigesu is a serial entrepreneur, innovator, blockchain strategist, and a thought leader in software-defined networking and decentralized computing technologies. He has over 20 years of experience in guiding organizations create unique and ahead-of-the-curve technology strategies to adapt, change and lead major market transitions.

Mr. Karthigesu has been a speaker at major technological events and has espoused the need for technology to be human-focused and decentralized in the emerging blockchain, Internet of Things and 5G era.

Mr. Karthigesu is Swarmio's founder. He was the Co-Founder / CSO of Cloud Dynamics, a cloud automation technology company, and Co-Founder / CTO of SpectraVoice, one of Canada's first commercial VOIP companies. Vijai also held senior technology leadership positions in multi-billion-dollar public and private sector companies in Canada. Vijai is a licensed Professional Engineer (P.Eng.).

Mr. Karthigesu holds an Electrical Engineering degree from the University of Waterloo and an MBA from Wilfrid Laurier University.

***Andrew Ray – Director***

Mr. Ray is vice president of investment at Innovacorp, where he oversees the organization's venture capital activities. As part of the senior management team, he leads Innovacorp's work to find, fund and foster innovative Nova Scotia start-ups that strive to change the world.

Mr. Ray works hands-on with Innovacorp's portfolio companies to assist them in building teams, accelerating their growth, achieving milestones and securing additional financing. He is a board member at Swarmio, QRA, VineView and LeadSift, and a board observer at Proposify.

Prior to joining Innovacorp, Andrew was the CEO of Bazari, a mobile banking services provider for microfinance institutions in India. At Bazari, he helped financial institutions set up technology infrastructure and oversaw the rollout of the company's mobile payment platform. Prior to this, he worked for MacDonald, Dettwiler and Associates on the Radarsat-2 Spacecraft, from design through launch, specializing in spacecraft guidance and navigation.

Andrew holds a B.Sc. in astrophysics from Saint Mary's University, an M.Sc. in space studies from France's International Space University, and an MBA from Brigham Young University's Marriott School of Management.

***Malcolm Smith – Director***

Mr. Smith is CEO of West Harbour Capital, where he oversees the organization's merchant banking activities and provides a variety of corporate finance services including capital-raising, mergers and acquisitions, joint ventures, business development, as well as restructuring and due diligence.

Mr. Smith has over 20 years of experience in capital markets on both the sell-side and buy-side, and has previously advised companies in the Esports industry throughout this time. Prior to founding West Harbour Capital, he was the CFO, CCO and a financial analyst at EdgeHill Partners, an independent, specialized manager of alternative investment strategies. At EdgeHill Partners, he was responsible for operations, evaluating investment opportunities and managing the currency hedging program for the funds. EdgeHill Partners grew from a start-up investment manager to a successful nationwide and offshore fund distribution company.

Prior to this, he worked for Salida Capital, National Bank Financial and First Marathon Securities.

Mr. Smith holds a Bachelor of Commerce degree from Saint Mary's University.

***Chuck Hartlen – Director***

Mr. Hartlen is an advisor, mentor and angel investor in the technology sector, and has served on the board of directors for a number of technology start-ups and not for profit organizations.

Mr. Hartlen currently serves as the CEO of CGH Consulting Ltd. Mr. Hartlen recently held the role of Executive Vice President, Customer Experience with Nova Scotia Power, where he was responsible for all aspects of the customer experience and led the contact center, technical field services and marketing teams. Prior to that, Mr. Hartlen served as Senior Vice President of Customer Care for Bell Aliant (an indirect

subsidiary of BCE Inc., a Canadian reporting issuer), formerly where he was responsible for all aspects of customer experience, and led the engineering, information technology, network services and technical field services teams.

Mr. Hartlen holds a Bachelor of Engineering degree in Electrical Engineering and a Bachelor of Science degree in Mathematics from Technical University of Nova Scotia (now known as Dalhousie University), and has earned his Professional Engineering designation. Mr. Hartlen has also participated in the Queen's University Executive Program.

### ***Craig Fletcher – Director***

Mr. Fletcher is a business consultant, advisor and angel investor in the Esports, media, technology and video gaming spaces and has over 20 years of experience in growing and supporting companies in these sectors.

Mr. Fletcher founded Multiplay in 1997 and acted in the role of Chief Executive Officer to lead Multiplay in becoming the United Kingdom's largest video gaming events and Esports company, as well as the largest provider of online gaming servers. Multiplay was successfully acquired by GAME Digital PLC in 2015, at which time Mr. Fletcher went on to provide strategy and partnerships relating to Esports and competitive gaming for the GAME Group.

Mr. Fletcher is currently a venture partner and investment committee member for Ascension Ventures Limited, a financial services and venture capital company dedicated to serving technology and media companies and entrepreneurs in their early growth stages.

Each director elected will hold office conditional and effective upon the closing of the Business Combination until the next annual meeting of the shareholders of the Company, or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Company or the provisions of the business corporations act to which the Company is subject.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES CONDITIONAL AND EFFECTIVE UPON THE CLOSING OF THE BUSINESS COMBINATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. MANAGEMENT HAS NO REASON TO BELIEVE THAT ANY OF THE NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

### ***Corporate Cease Trade Orders or Bankruptcies***

No proposed Swarmio Director Nominee, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively

an “Order”) and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or

- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed Swarmio Director Nominee, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed Swarmio Director Nominee 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.

#### *Personal Bankruptcies*

No proposed Swarmio Director Nominees have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

#### *Penalties and Sanctions*

None of the proposed Swarmio Director Nominees have 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 in making an investment decision.

#### *Business Combination Appointment of Auditor*

The shareholders will be asked to vote for the appointment of Grant Thornton LLP as auditor of the Company, to hold office conditional and effective upon the closing of the Business Combination.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF GRANT THORNTON LLP AS AUDITORS OF THE COMPANY TO HOLD OFFICE CONDITIONAL AND EFFECTIVE UPON THE CLOSING OF THE BUSINESS COMBINATION UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS OR UNTIL GRANT THORNTON LLP IS REMOVED FROM OFFICE OR RESIGNS AS PROVIDED BY THE COMPANY’S BY-LAWS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.**

**The appointment of Grant Thornton LLP, as auditors of the Company will only be effective in the event that the Business Combination is successfully completed.**

#### **APPROVAL OF THE NEW STOCK OPTION PLAN**

The Company intends to implement a stock option plan (the “**New Stock Option Plan**”) following the closing of the Business Combination. A copy of the New Stock Option Plan is attached hereto as Appendix “B.” The principal features of the New Stock Option Plan are summarized below.

Following the closing of the Business Combination, the purpose of the New Stock Option Plan shall be to develop the interest of and provide an incentive to eligible employees, officers, directors and consultants of the Company in the Company’s growth and development by granting to such eligible employees, officers, directors and consultants, from time to time, options to purchase Common Shares, thereby advancing the interest of the Company and its shareholders. All employees, directors and consultants of the Company shall be eligible to participate in the New Stock Option Plan. The extent to which any employee, director or consultant would be entitled to be granted options pursuant to the New Stock Option Plan shall be determined in the discretion of the Board.

Unless otherwise specified by the Board at the time of granting an option, and except as otherwise provided in the New Stock Option Plan, each option granted to an employee, director or consultant shall vest and be exercisable as to 1/3 on each of the first three anniversaries of the date of grant, such that the option will become fully exercisable on the third anniversary of the date of grant, and shall remain exercisable to and including the fifth anniversary of the date of grant.

The purchase price of the Common Shares purchasable under any option shall be determined by the Board but in any event shall not be less than the closing price of the Common Shares on the TSX Venture Exchange on the trading day immediately preceding the date on which such option is granted. In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada, the market price shall be determined by the Board in its sole discretion.

The number of Common Shares to be reserved for issuance under the New Stock Option Plan shall be equal to 10% of the issued and outstanding Common Shares on the closing of the Business Combination.

The Board shall be responsible for administering the New Stock Option Plan, and the Compensation and Corporate Governance Committee, to be established upon the completion of the Business Combination, shall be responsible for making recommendations to the Board in respect of matters relating to the New Stock Option Plan.

Shareholders will be asked to consider and if deemed advisable, pass, with or without variation, an ordinary resolution to approve, conditional and effective upon the closing of the Business Combination, the New Stock Option Plan (the “**Business Combination Stock Option Plan Resolution**”).

The text of the Business Combination Stock Option Plan Resolution to be considered at the Meeting will be substantially as follows:

“**BE IT RESOLVED** as an ordinary resolution that:

1. the stock option plan of the Company be approved substantially in the form attached as Appendix “B” to the management information circular dated March 4, 2020 of the Company (the “**New Stock Option Plan**”) and the New Stock Option Plan be and is hereby ratified, approved and adopted as the stock option plan of the Company;
2. the form of the New Stock Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company;

3. the issued and outstanding stock options previously granted shall be continued under and governed by the New Stock Option Plan;
4. the shareholders of the Company hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
5. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

The Board recommends that shareholders vote in favour of the Business Combination Stock Option Plan Resolution as set out above.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE BUSINESS COMBINATION STOCK OPTION PLAN RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

#### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

National Instrument 52-110 “*Audit Committee*” of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its management proxy circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor all as set forth herein below

##### **The Audit Committee’s Charter**

The Company’s Audit Committee (the “**Audit Committee**”) has a Charter; a copy of which is attached as Schedule “A” to the Company’s Information Circular prepared for the Company’s 2017 annual general meeting held on February 28, 2017. A copy of the Audit Committee Charter was filed on SEDAR at [www.sedar.com](http://www.sedar.com) on January 30, 2017.

##### **Composition of the Audit Committee**

Members of the Board’s Audit Committee are Darryl S. Cardey, Michael Sadhra and Paul S. Reynolds, each of whom is currently a director. Mr. Sadhra and Mr. Reynolds are independent members of the Audit Committee in accordance with NI 52-110. Mr. Cardey is not independent as he is the Chief Executive Officer, Chief Financial Officer, President and Secretary of the Company. All of the Audit Committee members are considered to be financially literate as required by section 1.6 of NI 52-110. A new Audit Committee will be appointed following the Meeting.

##### **Relevant Education and Experience**

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

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

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### **Exemption**

The Company is relying upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee and in respect of its reporting obligations under NI 52-110 for the year ended June 30, 2019. This exemption exempts a "venture issuer" from the requirement to have 100% of the members of its Audit Committee independent, as would otherwise be required by NI 52-110

### **External Auditor Service Fees**

To ensure auditor independence, no non-audited services were requested to be provided to the Company by Smythe LLP, Chartered Accountants, during the last completed fiscal year. Fees incurred with Smythe LLP, Chartered Accountants, for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Paid to Auditor for services re Fiscal Year Ended February 28, 2019</b>	<b>Fees Paid to Auditor for services re Fiscal Year Ended February 28, 2018</b>
Audit Fees <sup>(1)</sup>	\$5,100	\$5,100

Nature of Services	Fees Paid to Auditor for services re Fiscal Year Ended February 28, 2019	Fees Paid to Auditor for services re Fiscal Year Ended February 28, 2018
Audit-Related Fees <sup>(2)</sup>	\$2,550	\$Nil
Tax Fees <sup>(3)</sup>	\$800	\$800
All Other Fees <sup>(4)</sup>	\$Nil	\$Nil
<b>Total:</b>	\$8,450	\$5,900

Notes:

- (1) “**Audit Fees**” include fees necessary to perform the annual audit of the Company’s consolidated 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.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 Corporate Governance Guidelines establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

### Board of Directors

The Board is currently composed of three directors - Messrs. Darryl S. Cardey (CEO, CFO, President and Secretary), Paul S. Reynolds and Michael Sadhra.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In

addition, where a company has a significant shareholder, NP 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed nominees of the Company, Paul S. Reynolds and Michael Sadhra are considered by the Board to be “independent” within the meaning of NI 58-101, and Darryl S. Cardey (CEO, CFO, President and Secretary) is considered to be “non-independent”.

The independent directors exercise their responsibility for independent oversight of management.

Board consideration and approval is required for all material contracts, business transactions and all debt and equity financing proposals. The Board delegates to management, through the CEO, responsibility for meeting defined corporate objectives, evaluating new business opportunities and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives.

The directors believe that, at this early stage of the Company’s development, the current composition of the Board adequately facilitates its exercise of independent supervision over management. The Board anticipates that as the Company matures as a business enterprise, it will identify additional qualified candidates that have experience relevant to the Company’s needs, who are independent of management applying the guidelines contained in applicable legislation

### **Directorships**

The following directors of the Company also serve as directors of other reporting issuers:

<b>Name of Director</b>	<b>Name of Reporting Issuer</b>	<b>Exchange</b>
Darryl S. Cardey	Eclipse Gold mining Corporation	TSX Venture Exchange
	Western Pacific Resources Corp.	TSX Venture Exchange
	Zoomd Technologies Ltd.	TSX Venture Exchange
Michael Sadhra	Cypherpunk Holdings Inc.	Canadian Securities Exchange
	Algernon Pharmaceuticals Inc.	Canadian Securities Exchange
	GrowMax Resources Corp.	TSX Venture Exchange
	Karam Minerals Inc.	Canadian Securities Exchange
Paul S. Reynolds	Azincourt Energy Corp.	TSX Venture Exchange

	Fremont Gold Ltd.	TSX Venture Exchange
	Eagle Plains Resources Ltd.	TSX Venture Exchange
	Taiga Gold Corp.	Canadian Securities Exchange

### **Orientation and Continuing Education**

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies that may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSXV to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors.

### **Ethical Business Conduct**

The Board has not adopted a written Code of Ethical Conduct for its directors, officers and employees at this time. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates in the best interests of the Company and its shareholders.

Some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities. As such, the Board must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

### **Nomination of Directors and Assessment**

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest

to the Company, the ability to devote the time required and a willingness to serve. As the Company progresses as a business enterprise, the Board will consider its size on an annual basis when it considers the number of directors to recommend to shareholders for election at annual general meetings, taking into account the number required to carry out the Board’s duties effectively and to maintain diversity of view and experience.

### Board Committees

The Company does not have any committees other than an Audit Committee. See “Audit Committee” above.

## DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

### Named Executive Officers

During the financial year ended February 28, 2019, the Company had one Named Executive Officer (“NEO”) being, Darry S. Cardey, Chief Executive Officer (“CEO”), Chief Financial Officer (“CFO”), President and Secretary.

“Named Executive Officer” means: (a) each CEO, (b) each CFO, (c) each of the three most highly compensated executive officers of the company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000; and (d) each individual who would be a NEO under (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

### Compensation Discussion and Analysis

As a “capital pool company” under the policies of the TSXV, the Company is precluded from paying any compensation to its directors or officers.

The Company does not have any management or employment agreements in place with its NEOs. The Company does not presently have a long-term incentive plan for its NEOs, other than its stock option plan. No Options were granted, vested or earned during the fiscal year ended February 28, 2019.

### Summary of Compensation

The following table sets forth all annual and long-term compensation for services paid to or earned by the former NEOs, current NEO and members of the Board for the Company’s three most recently completed financial years:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer, commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Darryl S. Cardey <sup>1</sup> CEO, CFO, Secretary and Director	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
	2017	nil	nil	nil	nil	nil	nil

<b>Michael Sadhra</b> <i>Director</i>	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
	2017	nil	nil	nil	nil	nil	nil
<b>Paul S. Reynolds</b> <i>Director</i>	2019	nil	nil	nil	nil	nil	nil
	2018	nil	nil	nil	nil	nil	nil
	2017	nil	nil	nil	nil	nil	nil

Notes:

- (1) Appointed as CEO, CFO, President and Secretary on August 6, 2014.

### **Stock Options and Other Compensation Securities**

The Company's authorized share structure is an unlimited number of Common Shares and as at February 28, 2019 there were 1,881,473 Common Shares of the Company issued and outstanding. The Company has a 10% rolling stock option plan allowing it to grant options to a maximum of 10% of the issued and outstanding shares of the Company, from time to time. No compensation securities were granted or issued to directors and NEOs by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company.

### **Exercise of Compensation Securities by NEOs and Directors**

There were no compensation securities exercised by any of the NEOs or directors of the Company during the financial year ended February 28, 2019.

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

The only stock option plan or other incentive plan the Company currently has in place is a 10% "rolling" stock option plan (the "**Plan**"). The underlying purpose of the Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Plan.

The material terms of the Plan are as follows:

1. The aggregate maximum number of options which may be granted under the Plan at any one time is 10% of the number of common shares the Company has outstanding at the time of grant.
2. The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
3. The exercise price of any options granted under the Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Company's common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSXV to a minimum of \$0.05 per common share.
4. No vesting requirements will apply to options granted thereunder, save for options granted to an employee performing investor relations activities for the Company.
5. All options will be non-assignable and non-transferable.

6. No more than (i) 5% of the issued common shares may be granted to any one individual in any 12 month period; and (ii) no more than 2% of the issued common shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period.
7. If the option holder ceases to be a director of the Company (other than by reason of death), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director of the Company, subject to the terms and conditions set out in the Plan. If the option holder is engaged in investor relations activities or ceases to be an employee, consultant or management company employee of the Company (other than by reason of death), then the option granted shall expire on no later than the 30th day following the date that the option holder ceases to be employed or contracted by the Company, subject to the terms and conditions set out in the Plan.
8. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company's issued common shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued common shares.
9. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.

As long as the Company remains a "capital pool company" under the policies of the TSXV, the Company is subject to the requirements applicable to "capital pool companies," including the limitation that the total number of Common Shares which may be reserved under option for issuance cannot exceed 10% of the Common Shares outstanding as at the closing of the Company's initial public offering.

TSXV policies require an incentive stock option plan to be approved annually at its general shareholders' meeting.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company's current plan provides that the Board may from time to time, in its discretion, and in accordance with the TSXV requirements, grant to directors, officers, employees and technical consultants to the Company non-transferable options to purchase Common Shares; provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares as of the date of the Company's initial public offering. Options may be exercisable for a period of up to 10 years from the date of grant. In connection with the foregoing, the number of Common Shares reserved for issuance to any individual director or officer may not exceed 5% of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants may not exceed 2% of the issued and outstanding Common Shares.

The following table sets out equity compensation plan information as at the end of the financial year ended February 28, 2019:

### Equity Compensation Plan Information

	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)) <sup>(1)</sup>
Plan Category	(a)	(b)	(c)
Equity compensation plans to be approved by securityholders - (the Plan)	Nil	N/A	90,000
Equity compensation plans not approved by securityholders	N/A	N/A	Nil
Total	Nil	N/A	90,000

Notes:

- (1) As of the date of the Company's initial public offering on September 11, 2011, there were 4,500,001 Common Shares outstanding. On October 29, 2014, the Company consolidated its issued and outstanding common shares basis of one new share for every five existing shares. All references to securities in the above table are on a post-consolidation basis.

The Company has no other plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

### Employment, Consulting and Management Agreements

As a "capital pool company" under the policies of the TSXV, the Company is precluded by TSXV policies from paying any compensation to its officers or directors. There were no agreements or arrangements in place under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the company that were:

- (a) performed by a director or named executive officer, or
- (b) performed by any other party but are services typically provided by a director or a named executive officer.

In particular, there were no agreements or arrangement containing provisions with respect to change of control, severance, termination or constructive dismissal.

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

There is no determination or timing of determination of NEO and director salary or compensation. The only compensatory element that the board of directors determines is the grant of incentive stock options under the Plan.

### **Pension disclosure**

The Company does not provide any form of pension to any of its directors or Named Executive Officers.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as otherwise disclosed in this Circular, no director, executive officer or principal shareholder of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year end or in any proposed transaction that has materially affected or will materially affect the Company.

### **MANAGEMENT CONTRACTS**

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

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

No director or officer of the Company or person who acted in such capacity in the last financial year of the Company, or any other individual who at any time during the most recently completed financial year of the Company was a director of the Company or any associate of the Company, is indebted to the Company, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

### **GENERAL MATTERS**

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information about the Company is provided in the Company's comparative annual financial statements for the financial years ended February 28, 2019, February 28, 2018 and February 28, 2017, copies of which, together with Management's Discussion and Analysis thereon, can be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). Additional financial information concerning the Company may be obtained by any security holder of the Company free of charge by contacting the Company, at +1-604-638-8063.

**OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Circular.

**BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

DATED at Vancouver, British Columbia, the 4th day of March, 2020.

**ON BEHALF OF THE BOARD**

*“Darryl S. Cardey”*

Darryl S. Cardey  
Chief Executive Officer

**APPENDIX "A"**

**NEW ARTICLES**

Attached

***BUSINESS CORPORATIONS ACT***  
**(British Columbia)**

**ARTICLES**

of

**CAIRO RESOURCES INC.**  
(the “Company”)

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***BUSINESS CORPORATIONS ACT***  
**(British Columbia)**

**ARTICLES**

**of**

**CAIRO RESOURCES INC.**  
(the “Company”)

**PART 1**

**INTERPRETATION**

**Definitions**

1.1 In these Articles, unless the context otherwise requires:

- (a) “**Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (b) “**board of directors**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;
- (c) “**Interpretation Act**” means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) “**legal personal representative**” means the personal or other legal representative of the shareholder;
- (e) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (f) “**seal**” means the seal of the Company, if any;
- (g) “**share**” means a share in the share structure of the Company; and
- (h) “**special majority**” means the majority of votes described in §11.2 which is required to pass a special resolution.

## **Act and Interpretation Act Definitions Applicable**

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

## **PART 2**

### **SHARES AND SHARE CERTIFICATES**

#### **Authorized Share Structure**

2.1 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.

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

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

#### **Shareholder Entitled to Certificate, Acknowledgment or Written Notice**

2.3 Unless the shares of which the shareholder is the registered owner are uncertificated shares, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate and delivery of a share certificate for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all. If a shareholder is the registered owner of uncertificated shares, the Company must send to a holder of an uncertificated share a written notice containing the information required by the Act within a reasonable time after the issue or transfer of such share.

#### **Delivery by Mail**

2.4 Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate, or written notice of the issue or transfer of an uncertificated share 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, acknowledgement or written notice is lost in the mail or stolen.

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

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

- (a) cancel the share certificate or acknowledgment; and
- (b) issue a replacement share certificate or acknowledgment.

### **Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgment**

2.6 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, if the requirements of the Act are satisfied, as the case may be, if the directors receive:

- (a) proof satisfactory to it of the loss, theft or destruction; and
- (b) any indemnity the directors consider adequate.

### **Splitting Share Certificates**

2.7 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.

### **Certificate Fee**

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

### **Recognition of Trusts**

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

## PART 3

### ISSUE OF SHARES

#### Directors Authorized

3.1 Subject to the Act and the rights, if any, of the holders of issued shares of the Company, the Company may allot, issue, 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 consideration (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.

#### Commissions and Discounts

3.2 The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person's purchase or agreement to purchase shares of the Company from the Company or any other person's procurement or agreement to procure purchasers for shares of the Company.

#### Brokerage

3.3 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.

#### Conditions of Issue

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

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

#### Share Purchase Warrants and Rights

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

## **PART 4**

### **SHARE REGISTERS**

#### **Central Securities Register**

4.1 As required by and subject to the Act, the Company must maintain in British Columbia a central securities register and may appoint an agent to maintain such register. The directors may appoint one or more agents, including the agent appointed to keep the central securities register, as transfer agent for shares or any class or series of shares and the same or another agent as registrar for shares or such class or series of 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.

## **PART 5**

### **SHARE TRANSFERS**

#### **Registering Transfers**

5.1 A transfer of a share must not be registered unless the Company or the transfer agent or registrar for the class or series of shares to be transferred has received:

- (a) except as exempted by the Act, a written instrument of transfer in respect of the share has been received by the Company (which may be a separate document or endorsed on the share certificate for the shares transferred) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;
- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and
- (d) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and the right of the transferee to have the transfer registered.

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

5.2 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 or by the transfer agent or registrar for those shares.

### **Transferor Remains Shareholder**

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

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

5.4 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, or if the shares are uncertificated shares, then all of the shares registered in the name of the shareholder on the central securities register:

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

### **Enquiry as to Title Not Required**

5.5 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 transferred, of any interest in such shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

### **Transfer Fee**

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

## **PART 6**

### **TRANSMISSION OF SHARES**

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

6.1 In case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the

Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the Company shall receive the documentation required by the Act.

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

6.2 The legal personal representative of a shareholder 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 Act and the directors have been deposited with the Company. This §6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the name of the shareholder and the name of another person in joint tenancy.

## **PART 7**

### **PURCHASE, REDEEM OR OTHERWISE ACQUIRE SHARES**

#### **Company Authorized to Purchase, Redeem or Otherwise Acquire Shares**

7.1 Subject to §7.2, to the special rights and restrictions attached to the shares of any class or series and to the Act, the Company may, if authorized by the directors, purchase, redeem or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

#### **Purchase When Insolvent**

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

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

#### **Sale and Voting of Purchased Shares, Redeemed or Otherwise Acquired Shares**

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

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

## **Company Entitled to Purchase or Redeem Share Fractions**

7.4 The Company may, without prior notice to the holders, purchase, redeem or otherwise acquire for fair value any and all outstanding share fractions of any class or kind of shares in its authorized share structure as may exist at any time and from time to time. Upon the Company delivering the purchase funds and confirmation of purchase or redemption of the share fractions to the holders' registered or last known address, or if the Company has a transfer agent then to such agent for the benefit of and forwarding to such holders, the Company shall thereupon amend its central securities register to reflect the purchase or redemption of such share fractions and if the Company has a transfer agent, shall direct the transfer agent to amend the central securities register accordingly. Any holder of a share fraction, who upon receipt of the funds and confirmation of purchase or redemption of same, disputes the fair value paid for the fraction, shall have the right to apply to the court to request that it set the price and terms of payment and make consequential orders and give directions the court considers appropriate, as if the Company were the "acquiring person" as contemplated by Division 6, Compulsory Acquisitions, under the Act and the holder were an "offeree" subject to the provisions contained in such Division, *mutatis mutandis*.

## **PART 8**

### **BORROWING POWERS**

8.1 The Company, if authorized by the directors, may:

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

## **PART 9**

### **ALTERATIONS**

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

9.1 Subject to §9.2 and the Act, the Company may by ordinary resolution (or a resolution of the directors in the case of §9.1(c) or §9.1(f):

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
  - (i) decrease the par value of those shares; or
  - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the Act where it does not specify by a special resolution;

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

### **Special Rights and Restrictions**

9.2 Subject to the Act and in particular those provisions of the Act relating to the rights of holders of outstanding shares to vote if their rights are prejudiced or interfered with, the Company may by ordinary resolution:

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

and alter its Notice of Articles and Articles accordingly.

### **Change of Name**

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

## **Other Alterations**

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

## **PART 10**

### **MEETINGS OF SHAREHOLDERS**

#### **Annual General Meetings**

10.1 Unless an annual general meeting is deferred or waived in accordance with the 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.

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

10.2 If all the shareholders who are entitled to vote at an annual general meeting consent in writing by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this §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.

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

10.3 The directors may, at any time, call a meeting of shareholders.

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

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

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

### **Record Date for Notice**

10.5 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 Act, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if the Company is a public company, 21 days;
- (b) otherwise, 10 days.

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

### **Record Date for Voting**

10.6 The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the Act, by more than four months. If no record date is set, the record date is 5 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.

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

10.7 The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **Notice of Special Business at Meetings of Shareholders**

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

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
  - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

- (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

### **Place of Meetings**

10.9 In addition to any location in British Columbia, any general meeting may be held in any location outside British Columbia approved by a resolution of the directors.

## **PART 11**

### **PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

#### **Special Business**

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

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
  - (i) business relating to the conduct of or voting at the meeting;
  - (ii) consideration of any financial statements of the Company presented to the meeting;
  - (iii) consideration of any reports of the directors or auditor;
  - (iv) the setting or changing of the number of directors;
  - (v) the election or appointment of directors;
  - (vi) the appointment of an auditor;
  - (vii) the setting of the remuneration of an auditor;
  - (viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
  - (ix) any other business which, under these Articles or the Act, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

#### **Special Majority**

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

## **Quorum**

11.3 Subject to the special rights and restrictions attached to the shares of any class or series of shares, and to §11.4, the quorum for the transaction of business at a meeting of shareholders is at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least five percent of the issued shares entitled to be voted at the meeting.

## **One Shareholder May Constitute Quorum**

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

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

## **Persons Entitled to Attend Meeting**

11.5 In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the Act or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

## **Requirement of Quorum**

11.6 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.

## **Lack of Quorum**

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

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

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

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

### **Chair**

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

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

### **Selection of Alternate Chair**

11.10 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 may choose either one of their number or the solicitor of the Company to be chair of the meeting. If all of the directors present decline to take the chair or fail to so choose or if no director is present or the solicitor of the Company declines to take the chair, 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.

### **Adjournments**

11.11 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.

### **Notice of Adjourned Meeting**

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

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

11.13 Subject to the 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 any shareholder entitled to vote who is present in person or by proxy.

### **Declaration of Result**

11.14 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 §11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

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

11.15 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.

### **Casting Vote**

11.16 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.

### **Manner of Taking Poll**

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

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

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

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

### **Chair Must Resolve Dispute**

11.19 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.

### **Casting of Votes**

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

### **No Demand for Poll on Election of Chair**

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

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

11.22 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.

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

11.23 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.

## **PART 12**

### **VOTES OF SHAREHOLDERS**

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

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

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

### **Votes of Persons in Representative Capacity**

12.2 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.

### **Votes by Joint Holders**

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

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

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

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

### **Representative of a Corporate Shareholder**

12.5 If a corporation, that is not a subsidiary of the Company, is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must be received:
  - (i) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
  - (ii) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (b) if a representative is appointed under this §12.5:

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

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

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

12.6 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, then §12.7 to §12.15 are not mandatory, however the directors of the Company are authorized to apply all or part of such sections or to adopt alternative procedures for proxy form, deposit and revocation procedures to the extent that the directors deem necessary in order to comply with securities laws applicable to the Company.

### **Appointment of Proxy Holders**

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

### **Alternate Proxy Holders**

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

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

12.9 A proxy holder need not be a shareholder of the Company.

### **Deposit of Proxy**

12.10 A proxy for a meeting of shareholders must:

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

- (b) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages, including through Internet or telephone voting or by email, if permitted by the notice calling the meeting or the information circular for the meeting.

### **Validity of Proxy Vote**

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

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

### **Form of Proxy**

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

[name of company]  
(the "Company")

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

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

Signed [month, day, year]

\_\_\_\_\_  
[Signature of shareholder]

\_\_\_\_\_  
[Name of shareholder—printed]

### **Revocation of Proxy**

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

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

### **Revocation of Proxy Must Be Signed**

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

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

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

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

## **PART 13**

### **DIRECTORS**

#### **First Directors; Number of Directors**

13.1 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 Act. The number of directors, excluding additional directors appointed under §14.8, is set at:

- (a) subject to §(b) and §(c), the number of directors that is equal to the number of the Company's first directors;
- (b) if the Company is a public company, the greater of three and the most recently set of:
  - (i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and

- (ii) the number of directors in office pursuant to §14.4;
- (c) if the Company is not a public company, the most recently set of:
  - (i) the number of directors set by a resolution of the directors (whether or not previous notice of the resolution was given); and
  - (ii) the number of directors in office pursuant to §14.4.

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

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

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; or
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number then the directors, subject to §14.8, may appoint directors to fill those vacancies.

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

13.3 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.

### **Qualifications of Directors**

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

### **Remuneration of Directors**

13.5 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.

### **Reimbursement of Expenses of Directors**

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

### **Special Remuneration for Directors**

13.7 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, he or she may be paid remuneration fixed by the directors, or at the option of the directors, fixed by ordinary resolution, and such remuneration will be in addition to any other remuneration that he or she may be entitled to receive.

### **Gratuity, Pension or Allowance on Retirement of Director**

13.8 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.

## **PART 14**

### **ELECTION AND REMOVAL OF DIRECTORS**

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

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

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

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

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

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

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

14.3 If:

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

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

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

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

14.4 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 but their term of office shall expire when 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.

### **Directors May Fill Casual Vacancies**

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

### **Remaining Directors Power to Act**

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

### **Shareholders May Fill Vacancies**

14.7 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.

### **Additional Directors**

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

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this §14.8.

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

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

14.9 A director ceases to be a director when:

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

### **Removal of Director by Shareholders**

14.10 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.

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

14.11 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.

### **Nomination of Directors**

14.12

(a) Subject only to the Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):

- (i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;

- (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
  - (iii) by any person (a “**Nominating Shareholder**”) (A) who, at the close of business on the date of the giving of the notice provided for below in this §14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (B) who complies with the notice procedures set forth below in this §14.12.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must give
- (i) timely notice thereof in proper written form to an officer of the Company of the Company at the principal executive offices of the Company in accordance with this §14.12.and
  - (ii) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in §14.12(c).
- (c) To be timely under §14.12(b)(i), a Nominating Shareholder’s notice to an officer of the Company, being either the Chief Executive Officer, the Chief Financial Officer, or the Corporate Secretary (singularly, “**an officer of the Company**”), must be made:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10th) day following the Notice Date; and
  - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
  - (iii) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this §14.12(c).
- (d) To be in proper written form, a Nominating Shareholder’s notice to an officer of the Company, under §14.12(b) must set forth:

- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (D) a statement as to whether such person would be “independent” of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination and (E) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws; and
  - (ii) as to the Nominating Shareholder giving the notice, (A) any information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws, and (B) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.
- (e) To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in this §14.12 and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to an officer of the Company of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the Meeting of Shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person’s term in office as a director (and, if requested by any candidate for nomination, an officer of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).
- (f) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect

of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(g) For purposes of this §14.12:

- (i) “**Affiliate**”, when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
- (ii) “**Applicable Securities Laws**” means the *Securities Act* (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;
- (iii) “**Associate**”, when used to indicate a relationship with a specified person, shall mean (A) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (B) any partner of that person, (C) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (D) a spouse of such specified person, (E) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (F) any relative of such specified person or of a person mentioned in clauses (D) or (E) of this definition if that relative has the same residence as the specified person;
- (iv) “**Derivatives Contract**” shall mean a contract between two parties (the “Receiving Party” and the “Counterparty”) that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the “Notional Securities”), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of

stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;

- (v) **“Meeting of Shareholders”** shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;
- (vi) **“owned beneficially”** or **“owns beneficially”** means, in connection with the ownership of shares in the capital of the Company by a person, (A) any such shares as to which such person or any of such person’s Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (B) any such shares as to which such person or any of such person’s Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (C) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty’s Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person’s Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (C) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty’s Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty’s Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (D) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and
- (vii) **“public announcement”** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by

the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).

(h) Notwithstanding any other provision to this §14.12, notice or any delivery given to an officer of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (provided that an officer of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to an officer of the Company at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

(i) In no event shall any adjournment or postponement of a Meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in §14.12(c) or the delivery of a representation and agreement as described in §14.12(e).

## **PART 15**

### **ALTERNATE DIRECTORS**

#### **Appointment of Alternate Director**

15.1 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.

#### **Notice of Meetings**

15.2 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.

#### **Alternate for More than One Director Attending Meetings**

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

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

### **Consent Resolutions**

15.4 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.

### **Alternate Director an Agent**

15.5 Every alternate director is deemed to be the agent of his or her appointor.

### **Revocation or Amendment of Appointment of Alternate Director**

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

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

15.7 The appointment of an alternate director ceases when:

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

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

15.8 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.

## **PART 16**

### **POWERS AND DUTIES OF DIRECTORS**

#### **Powers of Management**

16.1 The directors must, subject to the 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 Act or by these Articles, required to be exercised by the shareholders of the Company. Notwithstanding the generality of the foregoing, the directors may set the remuneration of the auditor of the Company.

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

16.2 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.

#### **Remuneration of an Auditor**

16.3 The directors may from time to time set the remuneration of an auditor.

## **PART 17**

### **INTERESTS OF DIRECTORS AND OFFICERS**

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

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

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

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

17.2 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.

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

17.3 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.

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

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

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

17.5 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.

### **No Disqualification**

17.6 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.

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

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

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

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

## **PART 18**

### **PROCEEDINGS OF DIRECTORS**

#### **Meetings of Directors**

18.1 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.

#### **Voting at Meetings**

18.2 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 has a second or casting vote.

#### **Chair of Meetings**

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

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

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

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

- (a) in person; or
- (b) by telephone or by other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other.

A director who participates in a meeting in a manner contemplated by this §18.4 is deemed for all purposes of the Act and these Articles to be present at the meeting and to have agreed to participate in that manner.

### **Calling of Meetings**

18.5 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.

### **Notice of Meetings**

18.6 Other than for meetings held at regular intervals as determined by the directors pursuant to §18.1, 48 hours' notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in §24.1 or orally or by telephone.

### **When Notice Not Required**

- 18.7 It is not necessary to give notice of a meeting of the directors to a director if:
- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed; or
  - (b) the director has waived notice of the meeting.

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

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

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

18.9 Any director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are

deemed not to be improperly called or constituted by reason of notice not having been given to such director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **Quorum**

18.10 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 a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

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

18.11 Subject to the 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.

### **Consent Resolutions in Writing**

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

- (a) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (b) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 18 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 §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 Act and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

## PART 19

### EXECUTIVE AND OTHER COMMITTEES

#### Appointment and Powers of Executive Committee

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

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

#### Appointment and Powers of Other Committees

19.2 The directors may, by resolution:

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

#### Obligations of Committees

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

- (a) conform to any rules that may from time to time be imposed on it by the directors; and

- (b) report every act or thing done in exercise of those powers at such times as the directors may require.

### **Powers of Board**

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

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

### **Committee Meetings**

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

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of the committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting does not have a second or casting vote.

## **PART 20**

### **OFFICERS**

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

20.1 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.

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

20.2 The directors may, for each officer:

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

### **Qualifications**

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

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

20.4 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.

## **PART 21**

### **INDEMNIFICATION**

#### **Definitions**

21.1 In this Part 21:

- (a) “**eligible party**”, in relation to a company, means an individual who:
  - (i) is or was a director, alternate director or officer of the Company;
  - (ii) is or was a director, alternate director or officer of another corporation
    - (A) at a time when the corporation is or was an affiliate of the Company, or
    - (B) at the request of the Company; or
  - (iii) at the request of the Company, is or was, or 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;

and includes, except in the definition of “eligible proceeding”, and §163(1)(c) and (d) and §165 of the Act, the heirs and personal or other legal representatives of that individual;

- (b) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (c) “**eligible proceeding**” means a proceeding in which an eligible party or any of the heirs and personal or other legal representatives of the eligible party, by reason of the eligible party being or having been a director or officer of, or holding or having held a position equivalent to that of a director or officer of, the Company or an associated corporation
- (i) is or may be joined as a party; or
  - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (d) “**expenses**” has the meaning set out in the Act and includes costs, charges and expenses, including legal and other fees, but does not include judgments, penalties, fines or amounts paid in settlement of a proceeding; and
- (e) “**proceeding**” includes any legal proceeding or investigative action, whether current, threatened, pending or completed.

### **Mandatory Indemnification of Eligible Parties**

21.2 Subject to the Act, the Company must indemnify each eligible party and the heirs and legal personal representatives of each eligible party 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 eligible party is deemed to have contracted with the Company on the terms of the indemnity contained in this §21.2.

### **Indemnification of Other Persons**

21.3 Subject to any restrictions in the Act, the Company may agree to indemnify and may indemnify any person (including an eligible party) against eligible penalties and pay expenses incurred in connection with the performance of services by that person for the Company.

### **Authority to Advance Expenses**

21.4 The Company may advance expenses to an eligible party to the extent permitted by and in accordance with the Act.

### **Non-Compliance with Act**

21.5 Subject to the Act, the failure of an eligible party of the Company to comply with the Act or these Articles or, if applicable, any former *Companies Act* or former Articles does not, of itself, invalidate any indemnity to which he or she is entitled under this Part 21.

### **Company May Purchase Insurance**

21.6 The Company may purchase and maintain insurance for the benefit of any eligible party person (or his or her heirs or legal personal representatives of any eligible party) against any liability incurred by any eligible party.

## **PART 22**

### **DIVIDENDS**

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

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

#### **Declaration of Dividends**

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

#### **No Notice Required**

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

#### **Record Date**

22.4 The directors must 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.

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

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

#### **Settlement of Difficulties**

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

- (a) set the value for distribution of specific assets;
- (b) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

### **When Dividend Payable**

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

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

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

### **Receipt by Joint Shareholders**

- 22.9 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.

### **Dividend Bears No Interest**

- 22.10 No dividend bears interest against the Company.

### **Fractional Dividends**

- 22.11 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.

### **Payment of Dividends**

- 22.12 Any dividend or other distribution payable in money 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 registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. 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.

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

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

## **PART 23**

### **ACCOUNTING RECORDS AND AUDITORS**

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

23.1 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 Act.

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

23.2 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.

#### **Remuneration of Auditor**

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

## **PART 24**

### **NOTICES**

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

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

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

the delivery address provided by the recipient for the sending of that record or records of that class;

- (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (e) physical delivery to the intended recipient.

### **Deemed Receipt of Mailing**

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

- (a) mailed to a person by ordinary mail to the applicable address for that person referred to in §24.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (b) faxed to a person to the fax number provided by that person referred to in §24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (c) emailed to a person to the e-mail address provided by that person referred to in §24.1 is deemed to be received by the person to whom it was e-mailed on the day that it was emailed.

### **Certificate of Sending**

24.3 A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with §24.1 is conclusive evidence of that fact.

### **Notice to Joint Shareholders**

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

### **Notice to Legal Personal Representatives and Trustees**

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

- (a) mailing the record, addressed to them:

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

### **Undelivered Notices**

24.6 If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to §24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

## **PART 25**

### **SEAL**

#### **Who May Attest Seal**

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

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

#### **Sealing Copies**

25.2 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 §25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

#### **Mechanical Reproduction of Seal**

25.3 The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine

appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the Act or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under §25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## PART 26

### PROHIBITIONS

#### Definitions

26.1 In this PART 26:

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

#### Application

26.2 §26.3 does not apply to the Company if and for so long as it is a public company, a private company which is no longer eligible to use the private issuer exemption under the *Securities Act* (British Columbia), or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or a company to which the Statutory Reporting Company Provisions apply.

**Consent Required for Transfer of Shares or Designated Securities**

26.3 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

<b>Full name and signature of Incorporator</b>	<b>Date of signing</b>
_____	_____, 2020

**APPENDIX "B"**

**NEW STOCK OPTION PLAN**

Attached

**SWARMIO MEDIA INC.  
STOCK OPTION PLAN**

**ARTICLE 1  
PURPOSE**

**1.1 Purpose**

The purpose of the Swarmio Media Inc. Stock Option Plan is to develop the interest and incentive of eligible employees, directors and consultants of the Company and Affiliated Companies in the Company's growth and development by giving eligible employees, directors and consultants an opportunity to purchase Common Shares on a favourable basis, thereby advancing the interests of the Company, enhancing the value of the Common Shares for the benefit of all shareholders of the Company and increasing the ability of the Company to attract and retain skilled and motivated individuals in the service of the Company.

**ARTICLE 2  
INTERPRETATION**

**2.1 Definitions**

When used herein, unless the context otherwise requires, the following terms have the following meanings, respectively:

- (a) **"Affiliated Company"** means a company which is an "affiliate" of the Company as defined in the Exchange Policies;
- (b) **"Associate"** has the meaning set forth in the *Securities Act* (Ontario), as amended from time to time;
- (c) **"Board"** means the board of directors of the Company;
- (d) **"Business Day"** means a day that is not a Saturday, Sunday or a statutory or legal holiday in Toronto, Ontario;
- (e) **"Committee"** has the meaning set forth in Section 3.2 hereof;
- (f) **"Common Shares"** means the common shares in the capital of the Company;
- (g) **"Company"** means Swarmio Media Inc.;
- (h) **"Consultant"** has the meaning given to it in the Exchange Policies;
- (i) **"Date of Grant"** means, for any Option, the date specified by the Board at the time it grants the Option or, if no such date is specified, the date upon which the Option was granted;
- (j) **"Director"** has the meaning given to it in the Exchange Policies;
- (k) **"Eligible Person"** means any Director, Employee or Consultant of the Corporation or an Affiliated Company;

- (l) **“Employee”** has the meaning given to it in the Exchange Policies;
- (m) **“Exchange”** means the TSX Venture Exchange Inc. or, if the Common Shares are not then listed and posted for trading on the TSX Venture Exchange Inc., on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board;
- (n) **“Exchange Policies”** means the rules and policies of the Exchange, as amended from time to time;
- (o) **“Exercise Notice”** means a notice in writing, in the form set out in Schedule “B” hereto, signed by an Optionee and stating the Optionee’s intention to exercise a particular Option;
- (p) **“Exercise Price”** means the price at which a Common Share may be purchased pursuant to the exercise of an Option;
- (q) **“Exercise Period”** means the period of time during which an Option granted under this Plan may be exercised (provided, however, that the Exercise Period may not exceed five (5) years from the relevant Date of Grant);
- (r) **“Insider”** has the meaning given to it in the Exchange Policies;
- (s) **“Investor Relations Activities”** has the meaning given to it in the Exchange Policies;
- (t) **“Management Company Employee”** has the meaning given to it in the Exchange Policies;
- (u) **“Market Price”** of any Common Share underlying any Option shall be the closing price of a Common Share on the Exchange on the trading day immediately preceding the date on which such Option is granted. In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada, the Market Price shall be determined by the Board in its sole discretion;
- (v) **“National Instrument”** means National Instrument 45-106 – *Prospectus and Registration Exemptions* as adopted by the Ontario Securities Commission, as amended or replaced from time to time;
- (w) **“Option”** means a non-assignable, non-transferable right to purchase Common Shares under this Plan;
- (x) **“Optionee”** means an Employee, Consultant or Director who has been granted one or more Options;
- (y) **“Option Agreement”** means a signed, written agreement between an Optionee and the Company, in the form attached as Schedule “A” hereto, subject to any amendments or additions thereto as may, in the discretion of the Board, be necessary or advisable, evidencing the terms and conditions on which an Option has been granted under this Plan;
- (z) **“Outstanding Issue”** means the number of Common Shares outstanding at the applicable date;
- (aa) **“Person”** includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate and a natural person

in his or her capacity as trustee, executor, administrator or other legal representative;

- (bb) **“Plan”** means this Swarmio Media Inc. Stock Option Plan;
- (cc) **“Related Person”** has the meaning given to it in the National Instrument; and
- (dd) **“Termination Date”** means the date on which an Optionee ceases to be an Eligible Person and, in the case of an Employee whose employment with the Company or an Affiliated Company terminates in the circumstances set out in sub-section 4.7(b) or 4.7(c) hereof, the later of (A) the date that is the last day of any statutory notice period applicable to the Optionee pursuant to applicable employment standards legislation, if any, and (B) the date that is designated by the Company or an Affiliated Company, as the case may be, as the last day of the Optionee’s employment with the Company or the Affiliated Company, as the case may be, and “Termination Date” specifically does not mean the date on which any period of reasonable notice that the Company or the Affiliated Company (as the case may be) may be required at law to provide to the Optionee, would expire.

## 2.2 Interpretation

- (a) Whenever the Board or, where applicable, the Committee is to exercise discretion in the administration of the terms and conditions of this Plan, the term “discretion” means the sole and absolute discretion of the Board or the Committee, as the case may be.
- (b) As used herein, the terms “Article”, “Section”, “sub-section” and “paragraph” mean and refer to the specified Article, Section, sub-section and paragraph hereof, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, all references to money amounts are to Canadian currency.

## ARTICLE 3 ADMINISTRATION

### 3.1 Administration

Subject to Section 3.2 hereof, this Plan will be administered by the Board and the Board has sole and complete authority, in its discretion, to:

- (a) determine the individuals (from among the Eligible Persons) to whom Options may be granted;
- (b) grant Options in such amounts and, subject to the provisions of this Plan, on such terms and conditions as it determines including:
  - (i) the time or times at which Options may be granted;
  - (ii) the Exercise Price of any Option;
  - (iii) the time or times when an Option becomes exercisable and, subject to Section 4.3 hereof, the duration of the Exercise Period of an Option;

- (iv) whether restrictions or limitations are to be imposed on Common Shares that may be purchased pursuant to the exercise of any Option and the nature of such restrictions or limitations, if any; and
- (v) any acceleration of exercisability or waiver of termination regarding any Option, based on such factors as the Board may determine;
- (c) interpret this Plan and adopt, amend and rescind administrative guidelines and other rules and regulations relating to this Plan; and
- (d) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

The Board's determinations and actions within its authority under this Plan are conclusive and binding on the Company and all other persons. The day-to-day administration of the Plan may be delegated to such officers and employees of the Company or of an Affiliated Company as the Board may in its sole discretion determine.

### **3.2 Delegation to Committee**

To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee (the "**Committee**") of the Board all or any of the powers conferred on the Board under the Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive.

### **3.3 Eligibility**

All Eligible Persons are eligible to participate in the Plan. Eligibility to participate does not confer upon any Eligible Person any right to be granted Options pursuant to the Plan. The extent to which any Eligible Person is entitled to be granted Options pursuant to the Plan will be determined in the sole and absolute discretion of the Board, provided, however, that the following restrictions shall also apply to this Plan as well as all other plans or stock option agreements to which the Company may be a party:

- (a) no individual may be granted Options to purchase Common Shares representing more than 5% of the Outstanding Issue in any 12 month period;
- (b) no Consultant may be granted Options to purchase Common Shares representing more than 2% of the Outstanding Issue in any 12 month period;
- (c) the aggregate number of Options granted to all Eligible Persons conducting Investor Relations Activities must not exceed 2% of the Outstanding Issue in any 12 month period, calculated at the date an Option is granted to any such Eligible Person;
- (d) notwithstanding Section 4.4, Options granted to Consultants performing Investor Relations Activities must vest in stages over 12 months with no more than  $\frac{1}{4}$  of the Option vesting in any 3 month period;
- (e) the number of Common Shares reserved for issuance under Options granted to Insiders may not exceed 10% of the Outstanding Issue; and

- (f) Insiders may not be granted, within a 12-month period, Options to purchase Common Shares representing more than 10% of the Outstanding Issue.

It is a condition of the grant of Options to Employees, Consultants or Management Company Employees, that the Company represents that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

### **3.4 Total Common Shares Subject to Options**

- (a) The aggregate number of Common Shares that may be reserved for issue pursuant to the exercise of Options under this Plan shall not exceed 5,126,641 Common Shares.
- (b) If, an Option terminates for any reason prior to its exercise in full or is cancelled, the Common Shares issuable pursuant to such Option shall be added back to the number of Common Shares reserved for issuance under the Plan and such Common Shares will again become available for grant under this Plan.

### **3.5 Option Agreements**

All grants of Options under Section 4.1 hereof shall be evidenced by Option Agreements. Any one proper officer of the Company is authorized and empowered to execute and deliver, for and on behalf of the Company, an Option Agreement to each Optionee.

### **3.6 Non-transferability**

Subject to Section 4.6 hereof, Options granted under this Plan may only be exercised during the lifetime of the Optionee by such Optionee personally. No assignment or transfer of Options, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Options whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Options will terminate and be of no further force or effect.

## **ARTICLE 4 GRANT OF OPTIONS**

### **4.1 Grant of Options**

The Board may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Board may prescribe, grant Options to any Eligible Person.

### **4.2 Exercise Price**

The purchase price of Common Shares purchasable under any Option shall be as determined by the Board but in any event shall not be less than the Market Price of the Common Shares. A minimum exercise price cannot be established unless the options are allocated to particular Eligible Persons

### **4.3 Term of Options**

Subject to any accelerated termination as set forth in this Plan, each Option, unless otherwise specified by the Board, expires on the fifth anniversary of the Date of Grant.

#### **4.4 Exercise Period**

Unless otherwise specified by the Board at the time of granting an Option and except as otherwise provided in this Plan, each Option will vest and be exercisable as follows:

- (a) one third of the Common Shares issuable pursuant to the exercise of an Option shall vest and may be purchased by way of the exercise of such Option on the first anniversary of the Date of Grant thereof;
- (b) an additional one third of the Common Shares issuable pursuant to the exercise of an Option shall vest and may be purchased by way of the exercise of such Option on the second anniversary of the Date of Grant thereof; and
- (c) the remaining one third of the Common Shares issuable pursuant to the exercise of an Option shall vest and may be purchased by way of the exercise of such Option on the third anniversary of the Date of Grant thereof.

Once a portion of an Option vests and becomes exercisable, it shall remain exercisable until expiration or termination of such Option, unless otherwise specified by the Board in connection with the grant of such Option. Each Option or portion thereof may be exercised at any time or from time to time, in whole or in part, for up to the total number of Common Shares with respect to which it is then exercisable. Subject to the applicable regulatory approval, the Board may accelerate the date upon which any instalment of any Option becomes exercisable.

Subject to the provisions of this Plan and any Option Agreement, Options may be exercised by means of a fully completed Exercise Notice delivered to the Company together with payment therefor.

#### **4.5 Payment of Exercise Price**

An Exercise Notice must be accompanied by payment in full of the purchase price for the Common Shares to be purchased thereby. Such Exercise Price must be fully paid in cash, or by certified cheque, bank draft or money order payable to the Company. No Common Shares will be issued pursuant to the exercise of any Option until full payment therefor has been received by the Company. Subject to Section 4.10 hereof, as soon as practicable after receipt of any Exercise Notice and full payment, the Company will deliver to the Optionee a certificate or certificates representing the acquired Common Shares.

#### **4.6 Death of Optionee**

If an Optionee dies while holding Options, then the executor, administrator or other legal representative of the Optionee's estate, may exercise any Options of the Optionee to the extent that such Options were exercisable at the date of such death and the right to so exercise such Options shall terminate on the earlier of (i) the date that is one hundred and eighty (180) days from the date of the Optionee's death, and (ii) the date on which the Exercise Period of the particular Option expires. Any Options held by the Optionee that were not exercisable at the date of death shall immediately expire and be cancelled on such date.

#### **4.7 Termination of Employment or Services**

- (a) Where an Optionee's employment or term of office with the Company or an Affiliated Company ceases by reason of the Optionee's death then the provisions of Section 4.6 hereof shall apply.

- (b) Where an Optionee's employment or term of office terminates by reason of (i) termination by the Company or an Affiliated Company without cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) or (ii) voluntary resignation by such Optionee, then any Options held by such Optionee that are exercisable at the Termination Date shall continue to be exercisable by such Optionee until the earlier of (A) the date that is thirty (30) days following the Termination Date and (B) the date on which the Exercise Period of the particular Option expires. Any Options held by such Optionee that are not exercisable at the Termination Date shall immediately expire and be cancelled on the Termination Date.
- (c) Where an Optionee's employment or term of office is terminated by the Company or an Affiliated Company for cause, then any Options held by such Optionee, whether or not exercisable at the Termination Date, shall expire and be cancelled upon the Termination Date.
- (d) Unless the Board, in its discretion, otherwise determines, at any time and from time to time, Options shall not be affected by any change of employment within or among the Company or an Affiliated Company for so long as an Optionee continues to be an employee of the Company or an Affiliated Company.

#### **4.8 Discretion to Permit Exercise**

Subject to the Exchange Policies, notwithstanding the provisions of Sections 4.6 and 4.7 hereof, the Board may, in its discretion, at any time prior to or following the events contemplated in such sections, permit the exercise of any or all Options held by an Optionee in the manner and on the terms authorized by the Board, provided that the Board shall not, in any case, authorize the exercise of an Option pursuant to this Section 4.8 beyond the expiration of the Exercise Period of the particular Option.

#### **4.9 Conditions of Exercise**

Each Optionee shall, when requested by the Company, sign and deliver all such documents relating to the granting or exercise of Options which the Company deems necessary or desirable.

#### **4.10 Exchange Matters**

- (a) All Options which are required by the Exchange Policies to be subject to the Exchange Hold Period (as defined in Exchange Policies) shall be subject to such hold period and the Option Agreements evidencing such Options shall include such legends as may be required by the Exchange Policies.
- (b) Where required by Exchange Policies the Company shall issue a press release disclosing the grant of Options.

## **ARTICLE 5 SHARE CAPITAL ADJUSTMENTS**

### **5.1 General**

The existence of any Options shall not affect in any way the right or power of the Company or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other

change in the Company's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Company, to create or issue any bonds, debentures, Common Shares or other securities of the Company or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Company or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Section 5.1 would have an adverse effect on this Plan or any Option granted hereunder.

## **5.2 Reorganization of Company's Capital**

Should the Company effect a subdivision or consolidation of Common Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Company that, in the opinion of the Board, would warrant the replacement of any existing Options in order to adjust (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options and/or (b) the Exercise Price of any outstanding Options in order to preserve proportionately the rights and obligations of the Optionees, the Board shall authorize such steps to be taken as may be equitable and appropriate thereto.

## **5.3 Other Events Affecting the Company**

In the event of an amalgamation, combination, merger or other reorganization involving the Company by exchange of Common Shares, by sale or lease of assets or otherwise, that, in the opinion of the Board, warrants the replacement of any existing Options in order to adjust (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options or (b) the Exercise Price of any outstanding Options in order to preserve proportionately the rights and obligations of the Optionees, the Board shall authorize such steps to be taken as may be equitable and appropriate thereto.

## **5.4 Immediate Exercise of Options**

Where the Board determines that the steps provided in Sections 5.2 and 5.3 hereof would not preserve proportionately the rights and obligations of the Optionees in the circumstances or otherwise determines that it is appropriate, the Board may permit the immediate exercise of any outstanding Options that are not otherwise exercisable.

## **5.5 Issue by Company of Additional Common Shares**

Except as expressly provided in this Article 5, neither the issue by the Company of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, shall affect, and no adjustment by reason thereof shall be made with respect to (a) the number of Common Shares that may be acquired on the exercise of any outstanding Options or (b) the Exercise Price of any outstanding Options.

## **5.6 Fractions**

No fractional Common Shares will be issued on the exercise of an Option. Accordingly, if, as a result of any adjustment under Sections 5.2 to 5.4 hereof inclusive, an Optionee would become entitled to a fractional Common Share, such Optionee shall have the right to acquire only the adjusted number of full Common Shares and no payment or other adjustment will be made with respect to the fractional Common Shares so disregarded.

## **5.7 Conditions of Exercise**

The Plan and each Option are subject to the requirement that if at any time the Board determines that the listing, registration or qualification of the Common Shares subject to such Option upon any stock exchange or under any provincial, state or federal law, or that the consent or approval of any governmental body, stock exchange or of the holders of the Common Shares generally, is necessary or desirable, as a condition of, or in connection with, the granting of such Option or the issue or purchase of Common Shares thereunder, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board. The Optionees shall, to the extent applicable, cooperate with the Company in relation to such registration, qualification or other approval and shall have no claim or cause of action against the Company or any of its officers or directors as a result of any failure by the Company to obtain or to take any steps to obtain any such registration, qualification or approval.

## **ARTICLE 6 MISCELLANEOUS PROVISIONS**

### **6.1 Legal Requirement**

The Company is not obligated to grant any Options, issue any Common Shares or other securities, make any payments or take any other action if, in the opinion of the Board, in its sole discretion, such action would constitute a violation by an Optionee or the Company of any provision of any applicable statutory or regulatory enactment of any government or government agency.

### **6.2 Optionee's Entitlement**

Except as otherwise provided in this Plan, Options previously granted under this Plan, whether or not then exercisable, are not affected by any change in the relationship between, or ownership of, the Company and an Affiliated Company. For greater certainty, all Options remain valid and exercisable in accordance with the terms and conditions of this Plan and are not affected by reason only that, at any time, an Affiliated Company ceases to be an Affiliated Company.

### **6.3 Withholding Taxes**

The exercise of each Option granted under this Plan is subject to the condition that if at any time the Company determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Company. In such circumstances, the Company may require that an Optionee pay to the Company, in addition to and in the same manner as the Exercise Price for the Common Shares, such amount as the Company is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Any such additional payment is due no later than the date as of which any amount with respect to the Option exercised first becomes includable in the gross income of the Optionee for tax purposes.

### **6.4 Rights of Eligible Person/Optionee**

No Eligible Person has any claim or right to be granted an Option (including, without limitation, an Option granted in substitution for any Option that has expired pursuant to the terms of this Plan), and the granting of any Option is not to be construed as giving an Optionee a right to remain in the employ of the Company or an Affiliated Company. No Optionee has any rights as a shareholder of the Company in respect of Common Shares issuable on the exercise of rights to acquire Common Shares under any Option

until the allotment and issuance to the Optionee of certificates representing such Common Shares.

### **6.5 Compliance with Stock Exchange**

The Board may make changes to the terms of the Options or the Plan to the extent necessary or desirable to comply with any rules, regulations or policies of the Exchange, provided that the value of previously granted Options and the rights of Optionees are not materially adversely affected by any such changes.

### **6.6 Termination; Amendment**

- (a) The Plan will terminate on the earliest of: (i) the date upon which no further Common Shares remain available for issuance pursuant to Options which may be granted under the Plan and no Options remain outstanding or (ii) the tenth anniversary of the Plan.
- (b) The Board may, without notice, at any time or from time to time, amend, suspend or terminate this Plan or any provisions hereof in such respects as it, in its sole discretion, determines appropriate. No such amendment, suspension or termination of this Plan, without the consent of any Optionee or the representatives of his or her estate, as applicable, alters or impairs any rights or obligations arising from any Option previously granted to an Optionee under this Plan.
- (c) Disinterested shareholder approval (as such term is used in the Exchange Policies) is required for any reduction in the Exercise Price of any Option if the Optionee is an Insider of the Company at the time of the proposed amendment.

### **6.7 Participation in the Plan**

The participation of any Eligible Person in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Eligible Person any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment nor a commitment on the part of the Corporation to ensure the continued employment of such Eligible Person. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Common Shares. The Company does not assume responsibility for the income or other tax consequences for the Eligible Persons and they are advised to consult with their own tax advisors.

### **6.8 Effective Date**

This Plan becomes effective on a date to be determined by the Board.

### **6.9 Governing Law**

This Plan is created under and is to be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2020.

**SCHEDULE "A"**  
**Stock Option Plan Option Agreement**

Swarmio Media Inc. (the "Company") hereby grants to the Optionee named below (the "Optionee"), an option (the "Option") to purchase, in accordance with and subject to the terms, conditions and restrictions of this Agreement, together with the provisions of the Swarmio Media Inc. Stock Option Plan (the "Plan") dated \_\_\_\_\_, 2020, as amended, the number of common shares in the capital of the Company ("Common Shares") at the price per share set forth below:

Name of Optionee: \_\_\_\_\_  
 Type of Eligible Person: \_\_\_\_\_  
 Date of Grant: \_\_\_\_\_  
 Total Number of Common Shares Subject to Option: \_\_\_\_\_  
 Exercise Price: \_\_\_\_\_

1. The terms and conditions of the Plan are hereby incorporated by reference as terms and conditions of this Option Agreement and all capitalized terms used herein, unless expressly defined in a different manner, have the meanings ascribed thereto in the Plan.
2. Subject to Section 5.4 of the Plan, each Option is exercisable as follows:
  - (a) one third of the Common Shares issuable pursuant to the exercise of an Option shall vest and may be purchased by way of the exercise of such Option on the first anniversary of the Date of Grant thereof;
  - (b) an additional one third of the Common Shares issuable pursuant to the exercise of an Option shall vest and may be purchased by way of the exercise of such Option on the second anniversary of the Date of Grant thereof; and
  - (c) the remaining one third of the Common Shares issuable pursuant to the exercise of an Option shall vest and may be purchased by way of the exercise of such Option on the third anniversary of the Date of Grant thereof.
3. In no event is the Option granted hereunder exercisable after the expiration of the relevant Exercise Period.
4. Each notice relating to the Option, including the exercise thereof, must be in writing. All notices to the Company must be delivered personally or by prepaid registered mail and must be addressed to the Corporate Secretary of the Company. All notices to the Optionee will be addressed to the principal address of the Optionee on file with the Company. Either the Company or the Optionee may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally, on the date of delivery, and if sent by prepaid, registered mail, on the fifth Business Day following the date of mailing.
5. This Option Agreement has been made in and is to be construed under and in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
6. [NTD: insert Exchange Hold Period legend where applicable]

**SWARMIO MEDIA INC.**

By: \_\_\_\_\_  
Authorized Signatory

I have read the foregoing Option Agreement and hereby accept the Option to purchase Common Shares in accordance with and subject to the terms and conditions of such Option Agreement and the Plan. I understand that I may review the complete text of the Plan by contacting the Chief Financial Officer of the Company. I agree to be bound by the terms and conditions of the Plan governing the Option.

\_\_\_\_\_  
Date Accepted

\_\_\_\_\_  
Optionee's Signature

\_\_\_\_\_  
Optionee's Name  
(Please Print)

**SCHEDULE "B"**  
**Stock Option Plan Exercise Notice Form – Options**

I, \_\_\_\_\_, hereby exercise the option to  
(print name)  
purchase \_\_\_\_\_ Common Shares of Swarmio Media Inc. (the "Company") at a purchase  
price of \$ \_\_\_\_\_ per Common Share. This Exercise Notice is delivered in respect of the option to  
purchase \_\_\_\_\_ Common Shares of the Company that was granted to me on \_\_\_\_\_  
\_\_\_\_\_ pursuant to the Option Agreement entered into between the Company and me. In connection  
with the foregoing, I enclose cash, a certified cheque, bank draft or money order payable to the Company  
in the amount of \$ \_\_\_\_\_ as full payment for the Common Shares to be received  
upon exercise of the Option.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Optionee's Signature