

VELA MINERALS LTD.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING AND MANAGEMENT INFORMATION CIRCULAR

**WITH RESPECT TO THE
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE
HELD ON JUNE 25, 2018**

MAY 18, 2018

VELA MINERALS LTD.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE is hereby given that the annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of Vela Minerals Ltd. (the “**Corporation**”) will be held at 885 West Georgia Street, Suite 2200, Vancouver, British Columbia, Canada on the 25th day of June, 2018, at 2:00 p.m. (Vancouver time) for the following purposes:

- (a) to receive the audited consolidated financial statements of the Corporation as at and for the financial year ended October 31, 2017, together with the reports of the auditor thereon;
- (b) to re-appoint Manning Elliott LLP as auditor of the Corporation for the ensuing year and authorize the board of directors to fix the remuneration of the auditor;
- (c) to fix the number of the directors of the Corporation for the ensuing year at 3 Directors prior to the completion of the proposed acquisition of all of the outstanding capital of Standard Uranium Ltd. by the Corporation (the “**Standard Uranium Transaction**”), and 5 Directors following the completion of the Standard Uranium Transaction;
- (d) to elect directors of the Corporation for the ensuing year prior to completion of the Standard Uranium Transaction and following completion of the Standard Uranium Transaction;
- (e) to consider and, if deemed appropriate, to approve the change of the name of the Corporation to “Standard Uranium Ltd.” in connection with the Standard Uranium Transaction;
- (f) to consider and, if deemed appropriate, to approve, with or without amendment, the continuance of the Corporation as a corporation under the *Business Corporations Act* (Ontario) (the “**Continuance Resolution**”);
- (g) to consider, and if deemed appropriate, to pass an ordinary resolution to re-approve the Corporation’s existing stock option plan; and
- (h) to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

The specific details of the foregoing matters to be put before the Meeting, as well as further information with respect to voting by proxy, are set forth in the Circular.

Registered Shareholders (“**Registered Holders**”) have the right to dissent with respect to the Continuance Resolution and if the Continuance Resolution becomes effective, to be paid the fair value of their shares in accordance with the provisions of Section 238 and Division 2 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). A Registered Holder’s right to dissent is more particularly described in the Information Circular and the text of Division 2 of the BCBCA as set forth as Schedule “F” to the Circular. A dissenting Registered Holder must send to the Corporation a written objection to the Continuance Resolution, which written objection must be received by the registered office of the Corporation located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 by 2:00 p.m. on June 21, 2018 being the second business day immediately preceding the date of the Meeting.

Failure to comply with the requirements set forth in Division 2 of the BCBCA may result in the loss of any right to dissent. Persons who are beneficial owners of shares of the Corporation registered in the

name of a broker, custodian, nominee, or other intermediary who wish to dissent should be aware that only Registered Holders are entitled to dissent. Accordingly, a beneficial owner of shares of the Corporation who desires to exercise the right to dissent must make arrangements for the shares owned by such holder to be registered in the holder's name prior to the time the written dissent to the Continuance Resolution is required to be received by the Corporation or, alternatively, make arrangements for the Registered Holder of such common shares to dissent on their behalf.

Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Continuance.

Registered Holders who are unable to attend the Meeting in person are requested to complete, sign, date and return the enclosed form of proxy either in the addressed envelope enclosed to Odyssey Trust, Attn: Proxy Department, 409 Granville Street, Suite 835, Vancouver, British Columbia, V6C 1T2, or via fax to 1-800-517-4553, or via email to proxy@odysseytrust.com. Alternatively, Registered Shareholders may vote by using the Internet at odysseytrust.com/Transfer-Agent/Login. In each case, proxies must be received not later than 2:00 p.m. (Vancouver time) on June 21, 2018, or at least 48 hours (excluding Saturdays, Sundays, and holidays), before the time for holding the Meeting or any adjournment thereof.

Non-registered Shareholders who receive these materials through their broker or other intermediary are requested to follow the instructions for voting provided by their broker or intermediary, which may include the completion and delivery of a voting instruction form. **If you are a non-registered Shareholder and do not complete and return the materials in accordance with such instructions, you may not be entitled to vote at the Meeting, either in person or by proxy.**

If you have any questions about the procedures required to qualify to vote at the Meeting or about obtaining and depositing the required form of proxy, you should contact Odyssey Trust by telephone at 1-778-819-1184 or by e-mail at info@odysseytrust.com.

Dated May 18, 2018.

By Order of the Board of Directors

“Richard Grayston”

Richard Grayston
President, Chief Executive Officer, and Director

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MANAGEMENT INFORMATION CIRCULAR

GENERAL

This management information circular (the “**Circular**”) is furnished in connection with the solicitation by management (“**Management**”) of Vela Minerals Ltd. (the “**Corporation**”) of proxies to be used at the Corporation’s annual general and special meeting of the holders (“**Shareholders**”) of common shares of the Corporation (“**Common Shares**”) to be held on June 25, 2018 (the “**Meeting**”) or at any adjournment or postponement thereof at the time and place and for the purposes set forth in the accompanying notice of annual and special meeting (“**Notice of Meeting**”).

Except as otherwise indicated, the information contained in this Circular is stated as at May 18, 2018. All dollar amounts referenced herein, unless otherwise indicated, are expressed in Canadian dollars.

SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

Solicitation of Proxies

The enclosed form of proxy is solicited by Management. It is anticipated that the solicitations will be made primarily by mail in relation to the delivery of the Circular. Proxies may also be solicited personally or by telephone by directors, officers or employees of the Corporation at nominal cost. The cost of the solicitation will be borne by the Corporation. The Corporation has arranged for Intermediaries (as defined below) to forward the meeting materials to Non-Registered Shareholders (as defined below) and the Corporation may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Appointment of Proxyholders

The person(s) designated by Management in the enclosed form of proxy are directors and/or officers of the Corporation (the “**Management Proxyholders**”).

Each Shareholder has the right to appoint as proxyholder a person (who need not be a Shareholder) other than Management Proxyholders to attend and act on the Shareholder’s behalf at the Meeting or at any adjournment or postponement thereof. Such right may be exercised by striking out the names of the person(s) printed in the accompanying form of proxy and inserting the name of the person in the blank space provided in the enclosed form of proxy or by completing another suitable form of proxy and, in either case, delivering the completed and executed form of proxy as provided below.

Registered Shareholders

In the case of registered Shareholders (“**Registered Shareholders**”), the completed, signed, and dated form of proxy should be sent in the addressed envelope enclosed to Odyssey Trust, Attn: Proxy Department, 409 Granville Street, Suite 835, Vancouver, British Columbia, V6C 1T2, or via fax to 1-800-517-4553, or via email to proxy@odysseytrust.com. Alternatively, Registered Shareholders may vote by using the Internet at odysseytrust.com/Transfer-Agent/Login. In the case of Non-Registered Shareholders who receive these materials through their broker or other Intermediary, the Non-Registered Shareholder should complete and send the form of proxy in accordance with the instructions provided by their broker or other Intermediary. To be effective, a proxy must be received not later than 2:00 p.m. (Vancouver time) on June 21, 2018, or at least 48 hours (excluding Saturdays and holidays), before the time for holding the Meeting or any adjournment thereof.

A Registered Shareholder who has given a proxy may revoke it by depositing an instrument in writing, including another proxy bearing a later date, signed by the Shareholder or by the Shareholder's attorney, who is authorized in writing, or by transmitting, by telephonic or electronic means, a revocation signed by electronic signature by the Shareholder or by the Shareholder's attorney, who is authorized in writing, to the head office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or in the case of any adjournment or postponement of the Meeting, the last business day preceding the day of the adjournment or postponement, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment or postponement thereof. A Registered Shareholder may also revoke a proxy in any other manner permitted by law. Only Registered Shareholders have the right to revoke a proxy. A Non-Registered Shareholder who wishes to change its vote must arrange for its Intermediary to revoke its proxy on its behalf.

Voting of Proxies

On any ballot that may be called for, the Common Shares represented by a properly executed proxy given in favour of the Management Proxyholders will be voted or withheld from voting in accordance with the instructions given on the ballot. If the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

In the absence of any direction in the instrument of proxy, such Common Shares will be voted in favour of the matters set forth in the accompanying Notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting, and with respect to other matters which may properly come before the Meeting or any adjournment or postponement thereof. At the date of this Circular, Management is not aware of any such amendment, variation, or other matter to come before the Meeting. However, if any amendments or variations to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to Management should properly come before the Meeting or any adjournment or postponement thereof, the Common Shares represented by properly executed proxies given in favour of the Management Proxyholders will be voted on such matters pursuant to such discretionary authority.

Non-Registered Shareholders

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. However, in many cases, Shareholders are "non-registered" Shareholders because the Common Shares they own are not registered in their names, but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a Registered Shareholder in respect of Common Shares which are held on behalf of that person (a "**Non-Registered Shareholder**"), but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs, and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited) of which the Intermediary is a participant. Non-Registered Shareholders do not appear on the list of Shareholders maintained by the transfer agent.

Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as Non-Objecting Beneficial Owners ("**NOBOs**"). Those Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as Objecting Beneficial Owners ("**OBOs**").

In accordance with the requirements as set out in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the “**Meeting Materials**”) to Intermediaries for onward distribution to NOBOs and OBOs. The Corporation does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs. An OBO will therefore not receive the Meeting Materials unless such OBO’s Intermediary assumes the cost of delivery.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either:

- (a) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. If the Non-Registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the Non-Registered Shareholder must complete the form of proxy and deposit it with the Corporation’s registrar and transfer agent, Odyssey Trust, as provided above. If a Non-Registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the Non-Registered Shareholder must strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder’s (or such other person’s) name in the blank space provided; or
- (b) be given a voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**proxy authorization form**”) which the Intermediary must follow. Typically, the proxy authorization form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the proxy authorization form will consist of a regular printed proxy form accompanied by a page of instructions, which contains a removable label containing a barcode and other information. In order for the form of proxy to validly constitute a proxy authorization form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. If the Non-Registered Shareholder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the holder’s behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the form. If Non-Registered Shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Holder’s behalf), the Non-Registered Shareholder must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote will be forwarded to the Non-Registered Shareholder.

In either case, the purpose of this procedure is to permit a Non-Registered Shareholder to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of the Management Proxyholders named in the form and insert the Non-Registered Shareholder’s name in the blank space provided. In either case, Non-Registered Shareholders should

carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or proxy authorization form is to be delivered.

Only Registered Shareholders have the right to revoke a proxy. A Non-Registered Shareholder who wishes to change its vote must arrange for its Intermediary to revoke its proxy on its behalf.

The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. The voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. OBOs who receive forms of proxies or voting materials from organizations other than Broadridge should complete and return such forms of proxies or voting materials in accordance with the instructions on such materials in order to properly vote their Common Shares at the Meeting.

Beneficial shareholders cannot be recognized at the Meeting for purposes of voting their Common Shares in person or by way of depositing a form of proxy. If you are a beneficial shareholder and wish to vote in person at the Meeting, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.

Beneficial shareholders should carefully follow the voting instructions they receive, including those on how and when voting instructions are to be provided, in order to have their Common Shares voted at the Meeting.

Record Date

The board of directors of the Corporation (the “**Board**”) has fixed May 18, 2018 (the “**Record Date**”) as the record date for the purpose of determining holders of Common Shares entitled to receive notice of and to vote at the Meeting. In accordance with the provisions of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), the Corporation or its transfer agent will prepare a list of holders of Common Shares on the Record Date. Each Shareholder named in the list or such Shareholder’s proxy will be entitled to vote the Common Shares shown opposite such Shareholder’s name on the list at the Meeting.

Voting Shares

The authorized voting securities of the Corporation consist of an unlimited number of Common Shares. As at Record Date, the Corporation had 1,762,450 Common Shares outstanding, each carrying the right to one vote. Except as otherwise noted in this Circular, a simple majority of the votes cast at the Meeting, whether in person, by proxy or otherwise, will constitute approval of any matter submitted to a vote.

Quorum

A quorum will be present at the Meeting if there are at least two persons present in person who are, or who represent by proxy, Shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to be voted at the Meeting.

Voting Thresholds Required for Approval

In order to approve a motion proposed at the Meeting, a majority of greater than one-half of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a special resolution (a “**Special Resolution**”), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, Common Shares held by Shareholders who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, no person beneficially owned, controlled or directed, directly or indirectly, more than 10% of the voting rights attached to the outstanding Common Shares except the following:

Shareholder	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽¹⁾	% of Outstanding Common Shares
Charles Chebry	388,888	22.07%
Derrick Strickland ⁽²⁾	227,777	12.92%

Notes:

- (1) The information as to the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation has been based solely upon a report provided by the Corporation’s transfer agent, Odyssey Trust, with effect as of the Record Date.
- (2) The 227,777 Common Shares held by Mr. Strickland are registered in the name of Tyro Industries Corp., a corporation controlled by Mr. Strickland.

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

Other than as disclosed in this Circular, no: (i) director or executive officer of the Corporation at any time since the beginning of the last completed financial year; (ii) proposed nominee for election as a director; or (iii) any associate of a person in (i) or (ii) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting. Directors and executive officers may, however, be interested in the approval of the Stock Option Plan (as defined below), as detailed in “*Particulars of Matters to be Acted Upon at the Meeting – 9. Re-Approval of 10% Rolling Stock Option Plan*”, as such persons are entitled to participate in the Stock Option Plan.

PROPOSED TRANSACTION WITH STANDARD URANIUM LTD.

On April 18, 2018, the Corporation entered into a definitive share purchase agreement (the “**Purchase Agreement**”) with Standard Uranium Ltd. (“**Standard Uranium**”), a private company established under the *Canada Business Corporations Act*, and each of the shareholders of Standard Uranium (“collectively, the “**Vendors**”). Pursuant to the terms of the Purchase Agreement, the parties have agreed to complete a business combination (the “**Standard Uranium Transaction**”) whereby the Corporation will acquire all of the outstanding share capital of Standard Uranium.

Since its establishment, Standard Uranium has focused on the development of prospective exploration stage uranium projects in the Athabasca Basin. Standard Uranium currently holds the rights to acquire the Davidson River Project (the “**Property**”), which is presently owned by Jody Dahrouge and 877384

Alberta Ltd. The Property is the largest private land holding in the southwest part of the Athabasca Basin, Saskatchewan, comprising 65,000 acres.

Each of the Vendors and Standard Uranium are at arms'-length to the Corporation, and no insiders of the Corporation hold any interest in Standard Uranium or the Property. In consideration for the acquisition of the outstanding share capital of Standard Uranium, the Corporation will issue 32,200,000 common shares and 10,000,000 common share purchase warrants to the existing shareholders of Standard Uranium. In connection with completion of the Standard Uranium Transaction, the Corporation intends to change its name to "Standard Uranium Ltd."

Completion of the Standard Uranium Transaction is subject to a number of conditions, including the availability of financing, and the approval of the TSX Venture Exchange (the "**Exchange**"). The Standard Uranium Transaction cannot be completed until these conditions are satisfied, and there can be no assurance that the Standard Uranium Transaction will be completed in a timely fashion, or at all. As part of its due diligence process, and as required by the Exchange, the Corporation has commissioned a geological report on the Property titled "Technical Report on the Davidson River Property, Northwest Saskatchewan, Canada" and dated May 14, 2018 (the "**Technical Report**"). Once reviewed and approved by the Exchange, a copy of the Technical Report will be available for review under the Corporation's profile on SEDAR (www.sedar.com).

Pending completion of filings with the Exchange in connection with the Standard Uranium Transaction, trading in the Corporation's Common Shares has been halted at the request of the Corporation. It is anticipated that trading will remain halted until the Standard Uranium Transaction has been completed. Following completion of the Standard Uranium Transaction, the Corporation anticipates that it will continue to be listed on the Exchange as a Tier 2 Mining Issuer.

Complete details of the terms of the Standard Uranium Transaction are set out in the Purchase Agreement which is available for review under the Corporation's profile on SEDAR at www.sedar.com. Please also refer to the press release of the Corporation dated April 19, 2018, for further information with respect to Standard Uranium and the Standard Uranium Transaction.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The audited consolidated financial statements for the financial year ended October 31, 2017 and the report of the auditor thereon will be placed before the Shareholders at the Meeting, but no vote thereon is required. These documents are available upon request or they can be found under the Corporation's profile on SEDAR at www.sedar.com or from the office of the Corporation's counsel, which is located at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

2. Appointment of Auditors

The Board proposes to re-appoint Manning Elliott LLP (the "**Auditor**"), as the auditor of the Corporation to hold office until the close of the next annual general meeting of shareholders of the Corporation. The resolution to approve the re-appointment of the Auditor will also authorize the Board to fix its remuneration. The Auditor was first appointed as the auditor of the Corporation on April 16, 2018.

To be effective, the resolution to re-appoint the Auditor must be approved by an Ordinary Resolution.

The Board recommends that Shareholders vote FOR the re-appointment of the Auditor and authorizing the Board to fix the Auditor’s remuneration. Unless authority is withheld, the Management Proxyholders intend to vote the Common Shares represented by each proxy, properly executed, FOR the re-appointment of the Auditor as the auditor of the Corporation to hold office until the next annual general meeting of Shareholders or until a successor is appointed, and FOR authorizing the Board to fix the Auditor’s remuneration.

3. Fixing the Number of Directors

The articles of the Corporation (the “**Articles**”) provide that the number of Directors to comprise the Board may be the greater of 3 and the most recently set by Ordinary Resolution of the Shareholders.

The Board currently consists of 3 Directors and the term of office of each of the present directors expires at the close of the Meeting. It is a condition to closing of the Standard Uranium Transaction that the Board be fixed at 5 Directors, which may further be increased pursuant to the constating documents of the Corporation, as the same may be amended as described in this Circular.

Shareholders will be asked to pass the following Ordinary Resolution to fix the number of Directors (the “**Board Capacity Resolution**”), substantially in the following form:

“BE IT RESOLVED THAT, as an ordinary resolution:

1. The number of directors on the board of directors of the Corporation (the “**Board**”) be set at 3 persons until the earlier of (i) the next annual meeting of the shareholders; and (ii) the date on which the Standard Uranium Transaction is completed; and
2. Subject to, and conditional upon, completion of the Standard Uranium Transaction, the number of directors on the Board be set at 5 persons.”

The Board recommends that Shareholders vote FOR the Board Capacity Resolution. Unless authority is withheld, the Management Proxyholders intend to vote the Common Shares represented by each proxy, properly executed, FOR the Board Capacity Resolution.

4. Election of Directors

Management of the Corporation has nominated each of Richard Grayston, Mark Ferguson, and Richard Ko for election at the Meeting (the “**Original Slate**”). It is a condition to closing of the Standard Uranium Transaction that the Board be reconstituted to consist of Jon Bey, Richard Grayston, Mark Ferguson, Neil McCallum, and Blair Jordan (the “**Resulting Issuer Slate**”, and together with the Original Slate, the “**Nominees**” and each a “**Nominee**”).

Each Director is elected annually and holds office until the next Annual General Meeting of Shareholders or until his or her successor is duly elected, unless his or her office is earlier vacated in accordance with the Articles.

Shareholders will be asked to pass the following Ordinary Resolution to elect the Original Slate, and to complete the appointment of the Resulting Issuer Slate in connection with completion of the Standard Uranium Transaction (the “**Board Reconstitution Resolution**”), substantially in the following form:

“BE IT RESOLVED THAT, as an ordinary resolution:

1. The election of each of Richard Grayston and Mark Ferguson as directors of the Corporation to hold office until the next annual meeting of the shareholders, or until their successors are duly elected or appointed, is hereby approved;
2. The election of Richard Ko as a director of the Corporation to hold office until the earlier of (i) the next annual meeting of the shareholders, or until his successor is duly elected or appointed; and (ii) the date on which the Standard Uranium Transaction is completed, at which time he shall be removed as a director of the corporation, is hereby approved; and
3. Subject to, and conditional upon, completion of the Standard Uranium Transaction, the election of Jon Bey, Neil McCallum, and Blair Jordan as directors of the Corporation, to hold office until the next annual general meeting of the shareholders, or until their successors are duly elected or appointed, is hereby approved.”

Each Director elected will hold office until the close of the next annual meeting of shareholders or until such person’s successor is elected or appointed. Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority will be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. All Nominees have established their eligibility and willingness to serve as directors.

The Board recommends that Shareholders vote FOR the Board Reconstitution Resolution. Unless authority is withheld, the Management Proxyholders intend to vote the Common Shares represented by each proxy, properly executed, FOR the Board Reconstitution Resolution.

The following tables set forth information with respect to each Nominee and is based upon information furnished by the respective proposed Nominee. Except as indicated below, each of the proposed Nominees has held the principal occupation shown beside the Nominee’s name in the table below or another executive office with the same or a related company, for the last five years.

Original Slate

**RICHARD
GRAYSTON**

Principal Occupation

Chief Executive Officer

Board and Board Committees

Board of Directors

Audit Committee

Securities Holdings as at May 18, 2018

Common Shares Options

Nil Nil

North Vancouver, B.C.

Director since January 2018

Not Independent

Other Board Memberships

First Legacy Mining Corp. (Director)

Logan Resources Ltd. (Director)

Red Rock Capital Corp. (Director)

Ross River Minerals Inc. (Director)

Mr. Grayston joined the Board in January 2018. Mr. Grayston has served as a business consultant with more than 30 years of experience in financial and economic consulting and public company management. Mr. Grayston received a Ph.D. in Finance and Economics from the University of Chicago in 1971, an M.B.A. from the University of Chicago in 1969, and a B.A. in Commerce from the University of British Columbia in 1966. He became a Certified General Accountant in 1977.

**MARK
FERGUSON**

Principal Occupation

Chief Financial Officer

Board and Board Committees

Board of Directors

Audit Committee

Securities Holdings as at May 18, 2018

Common Shares Options

Nil Nil

Calgary, Alberta

Director since January 2018

Not Independent

Other Board Memberships

Red Rock Capital Corp. (Director)

Mr. Ferguson joined the Board in January 2018. Mr. Ferguson has served as director and Chief Financial Officer on a number of public companies primarily in the resource extraction sectors. He has served for over 25 years in senior management roles in the trust and finance sectors.

**RICHARD
KO**

Principal Occupation

Chief Financial Officer, Aldever Resources Inc. and Unity Energy Corp.

Board and Board Committees

Board of Directors

Audit Committee

Securities Holdings as at May 18, 2018

Common Shares Options

Nil Nil

Vancouver, B.C.

Director since February 2018

Independent

Other Board Memberships

Red Rock Capital Corp. (Director)

Mr. Ko joined the Board in February 2018. Mr. Ko has served as a business consultant in Canada, Hong Kong, Taiwan, and China, and as a Senior Financial Analyst with BC Buildings Corporation. He holds a Bachelor of Arts degree, majoring in economics, from the University of Victoria. He has broad experience in accounting and tax matters.

Resulting Issuer Slate

JON BEY

Principal Occupation

President and Chief Executive Officer, Standard Uranium Ltd.

Board and Board Committees

N/A

Securities Holdings as at May 18, 2018

Common Shares Options

Nil Nil

Tsawwassen, B.C.

Not a Director of the
Corporation

Independent

Other Board Memberships

Standard Uranium Ltd. (Director)

Steel Rose Capital Ltd. (Director)

Mr. Bey is the current President and Chief Executive Officer of Standard Uranium Ltd., and the President, CEO, and Director of Steel Rose Communications Ltd. and Steel Rose Capital Ltd. In addition to becoming a Certified Professional in Investor Relations in 2012, Mr. Bey received a Bachelor of Education in 1995 and a Bachelor of Human Kinetics in 1994, both from the University of British Columbia. He has had increasing capital markets experience since 2007, and has served on several management team in multiple sectors worldwide, including in mining, oil and gas, technology, and cannabis.

**BLAIR
JORDAN**

Principal Occupation

Vice President, Corporate Development, Ascent Industries Corp.

Board and Board Committees

N/A

Securities Holdings as at May 18, 2018

Common Shares Options

Nil Nil

West Vancouver, B.C.

Not a Director of the
Corporation

Independent

Other Board Memberships

None

Mr. Jordan served as Managing Director of Echelon Wealth Partners from January 2012 until December 2017. He received an M.B.A. from the University of Chicago in 2002, a Bachelor of Laws from the University of British Columbia in 1997, and Bachelor of Arts in political science and economics from the University of Victoria in 1992. He has broad cross-capital structure knowledge with more than 10 years of international experience.

**NEIL
MCCALLUM**

Principal Occupation

Senior Geologist / Manager, Dahrouge Geological Consulting Ltd.

Board and Board Committees

N/A

Securities Holdings as at May 18, 2018

Common Shares Options

Nil Nil

Ottawa, Ontario

Not a Director of the
Corporation

Independent

Other Board Memberships

None

Mr. McCallum has served as the Senior Geologist / Manager for Dahrouge Geological Consulting Ltd. for more than 5 years. He received a Bachelor of Science degree from the University of Alberta in 2004. He has managed and conducted uranium exploration in and around the Athabasca Basin and throughout North and South America for multiple companies, and has wide exposure to exploration management for other commodities including base and precious metals, rare earth metals, diamonds, lithium, cobalt, and industrial metals. He has managed mining projects from conceptual target generation to prefeasibility level.

Cease Trade Orders, Bankruptcies, Penalties, or Sanctions

Other than as set out below, no director or proposed director of the Corporation is, as at the date of this Circular, or has been, within the 10 years preceding the date of this Circular, a director, chief executive officer, and chief financial officer of any company (including the Corporation) that:

- (a) while that person was acting in that capacity, was the subject of a cease trade, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (each, an “**Order**”);
- (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 a director, chief executive officer, or chief financial officer; or
- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement, or compromise with creditors or had a receiver, receiver manager, or trustee appointed to hold its assets.

No director or proposed director of the Corporation has, 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 director or proposed director.

To the knowledge of the Corporation, as of the date hereof, no proposed director has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mr. Grayston was a director, chief executive officer, and chief financial officer of Ranger Canyon Energy Inc. (“**Ranger Canyon**”), when a cease trade order was issued against Ranger Canyon on May 21, 2009, for failure to file audited financial statements for the year ended December 31, 2008. Ranger Canyon was dissolved by the Registrar of Corporations of the Province of Alberta on May 2, 2012.

5. Change of Name

It is a condition to closing of the Standard Uranium Transaction that the Corporation change its name to “Standard Uranium Ltd.”.

In order to satisfy this condition, Shareholders will be asked to pass the following Special Resolution to approve the change of the Corporation’s name (the “**Name Change Resolution**”), substantially in the following form:

“BE IT RESOLVED THAT, as a special resolution:

1. The Corporation change its name to “Standard Uranium Ltd.” or such other name as may be acceptable to the directors of the Corporation and all regulatory authorities having jurisdiction, and that the Corporation’s constating documents be amended accordingly; and

2. The directors of the Corporation be authorized to perform all such other acts and things as may be necessary or desirable to effect the aforesaid name change; and that the directors of the Corporation be authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by shareholders.”

If passed and effected by the Directors, the name change shall take effect immediately on the date and at the time the Articles of Continuance (as defined below) are filed, as appropriate, or at such specific time as may be designated by the Directors.

The Board recommends that Shareholders vote FOR the Name Change Resolution. Unless authority is withheld, the Management Proxyholders intend to vote the Common Shares represented by each proxy, properly executed, FOR the Name Change Resolution.

6. Continuance Under the Ontario *Business Corporations Act*

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve, with or without amendment, a Special Resolution approving the continuance of the Corporation (the “**Continuance**”) as a corporation under the *Business Corporations Act* (Ontario) (the “**OBCA**”). Assuming approval is received, it is anticipated that the Continuance would be effected following the adoption of the New Articles (as described above).

The Corporation is currently governed by the laws of the province of British Columbia. The articles of continuance of the Corporation (the “**Articles of Continuance**”) required for the continuance of the Corporation are attached to this Circular as Schedule “D”. If the Continuance is approved, it is proposed that the Corporation file the Articles of Continuance which will be deemed to be the articles of the Corporation under the OBCA. The Articles of Continuance are not substantively different than the current notice of articles and articles of the Corporation (as they relate to matters that would typically be in the articles of a Corporation governed by the OBCA).

In addition, the by-laws to be adopted by the Corporation after the Continuance (the “**New By-laws**”) are attached to this Circular as Schedule “E”.

The Continuance must be approved by Special Resolution in order to become effective. The complete text of the special resolution (the “**Continuance Resolution**”) which management intends to place before the Meeting authorizing the Continuance is attached hereto as Schedule “C”.

Continuance into Ontario and Adoption of Articles of Continuance and By-laws

The BCBCA currently governs the corporate affairs of the Corporation. The British Columbia Registrar of Companies (the “**BC Registrar**”) is prepared to allow a continuance out of British Columbia and into Ontario upon receipt of an application for authorization to continue out which confirms that the laws of Ontario to which the continued Corporation will be subject provide that certain rights, obligations, liabilities, and responsibilities of the Corporation as set out in Section 310 of the BCBCA will remain unaffected as a result of the Continuance.

The Continuance does not create a new legal entity, nor does it prejudice or affect the continuity of the Corporation. The Corporation’s authorized capital will continue to consist of an unlimited number of common shares. The Continuance and the adoption of the Articles of Continuance and the New By-laws will not result in any substantive changes to the constitution, powers, or management of the Corporation, except as otherwise described herein.

The Continuance will affect certain rights of the shareholders of the Corporation as they currently exist under the BCBCA. Shareholders should consult their legal advisors regarding implications of the Continuance, which may be of particular importance to them.

The adoption of the Articles of Continuance and New By-laws of the Corporation has been approved by the Board of the Corporation, subject to the completion of the Continuance. Upon the Continuance becoming effective, the former notice of articles and articles of the Corporation will be replaced by the Articles of Continuance and the New By-laws.

Comparison of the BCBCA and the OBCA

The Corporation is currently governed by the BCBCA and after the Continuance, the Corporation will be governed by the OBCA. While the rights and privileges of shareholders of a BCBCA company are, in many instances, comparable to those rights and privileges of shareholders of a OBCA company, there are certain key differences. A summary of some of the principal differences and similarities of the BCBCA and OBCA are set out below.

The following is not intended to be exhaustive and should not be considered as legal advice to any particular shareholder.

Charter Documents

Under the BCBCA, the charter documents consist of: (i) the notice of articles, which sets forth certain prescribed information such as the name of the company, the company's registered and records office, the names and addresses of the directors of the company and the authorized share structure; and (ii) the articles, which govern the management of the company. The notice of articles is filed with the BC Registrar and the articles are filed only at the company's records office.

Under the OBCA, the charter documents consist of: (i) articles of the company which set forth, among other things, the name of the corporation, the address at which the company's registered office is to be located, the authorized share capital including any rights, privileges, restrictions, and conditions thereon, whether there are any restrictions on the transfer of shares of the company, the number of directors (or the minimum and maximum number of directors), any restrictions on the business that the company may carry on and other provisions such as the ability of the directors to appoint additional directors between annual meetings; and (ii) the by-laws which govern the management of the company. The articles are filed with Ontario's Central Production and Verification Services Branch (the "**Ontario CPVSB**") and the by-laws are filed only at the company's registered office.

Choice of Resolutions for Corporate Actions

Under the BCBCA, substantive changes to the charter documents such as an alteration of the restrictions, if any, on the business carried on by a company, an increase or reduction of the authorized capital of a company or changes to the special rights and restrictions attached to shares issued by the company require the type of resolution specified by the BCBCA, or if the BCBCA does not specify the type of resolution, by the type of resolution specified by the articles or, if neither specify the type of resolution, a special resolution passed by the majority of votes that the articles of the company specify is required, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution or, if the articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. The BCBCA provides that special rights and restrictions can be created and attached to issued shares or varied by the type of shareholders' resolutions specified by the articles, or if the articles do not specify the type of resolution, by a special resolution. A proposed

amalgamation requires a special resolution approved by the holders of all shares issued, whether voting or not. A continuance of a company out of the jurisdiction or a sale of all or substantially all of the undertaking of the company requires a special resolution passed by holders of shares of each class entitled to vote at a general meeting of the company. The BCBCA provides that a company may, by directors' resolution or ordinary resolution authorize an alteration of its notice of articles to adopt or change a translation of its name. Similarly, if the articles so provide, the name of the company may be changed by a directors' resolution, an ordinary resolution or a special resolution.

Under the OBCA, most fundamental changes require a special resolution to amend the articles of the corporation passed by not less than two-thirds of the votes cast by the shareholders voting on the resolution authorizing the amendment at a special meeting of shareholders and, in certain instances, where the rights of the holders of a class or series of shares are affected differently by the amendment than those of the holders of other classes or series of shares, a special resolution passed by not less than two-thirds of the votes cast by the holders of shares of each class or series so affected, whether or not they are otherwise entitled to vote. Authorization to amalgamate a OBCA corporation requires that a special resolution in respect of the amalgamation be passed by the holders of each class or series of shares entitled to vote thereon. The holders of a class or series of shares of an amalgamating corporation, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series in respect of an amalgamation if the amalgamation agreement contains a provision that, if contained in a proposed amendment to the articles, would entitle such holders to vote separately as a class or series under section 170 of the OBCA.

Sale of Undertaking

Under the BCBCA, a company may sell, lease, or otherwise dispose of all or substantially all of the undertaking of the company if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the articles of the company specify is required, if that specified majority is at least two-thirds and not more than three-quarters of the votes cast on the resolution or, if the articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution.

The OBCA requires approval of the holders of shares of each class or series of a corporation represented at a duly called meeting by not less than two-thirds of the votes cast upon a special resolution for a sale, lease or exchange of all or substantially all of the property of the corporation other than in the ordinary course of business of the corporation, and the holders of shares of a class or series are entitled to vote separately only if the sale, lease or exchange would affect such class or series in a manner different from the shares of another class or series entitled to vote. Both statutes offer dissent rights in the case of such a transaction.

Comparison Rights of Dissent and Appraisal

Both statutes contain similar dissent rights for shareholders who dissent to certain actions taken by the company, requiring the company to purchase shares held by such shareholder at the fair value of such shares upon the due exercise of such dissent rights. The procedures for exercise of the dissent remedies are different. See "*Rights of Dissent to the Continuance*" below and Schedule "F" to this Circular.

Oppression Remedies

An oppression remedy allows a shareholder to apply to a court if the company is being run in a manner which is oppressive or unfairly prejudicial to the interests of that shareholder. If the court finds that oppression exists, it can grant a variety of remedies, ranging from an order restraining the conduct

complained of to an order requiring the company to repurchase the shareholder's shares or an order liquidating the company. Both statutes allow a court to grant relief where an unfairly prejudicial effect to the shareholder is merely threatened, whether or not the effect exists.

Shareholder Derivative Actions

Under the BCBCA, a shareholder or director of a company, or any other person whom the court considers to be an appropriate person to make an application may, with leave of the court, bring an action in the name and on behalf of the company to enforce a right, duty, or obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such a right, duty, or obligation. In the OBCA this right extends to a registered shareholder, former registered shareholder, beneficial owner of shares, former beneficial owner of shares, director, former director, officer, and a former officer of a corporation or any of its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the OBCA permits derivative actions to be commenced in the name and on behalf of a corporation or any of its subsidiaries. No leave may be granted unless the complainant has given at least 14 days' notice to the directors of the corporation or its subsidiary of the complainant's intention to apply to the court and the court is satisfied that:

- (a) the directors of the corporation or its subsidiary do not bring, diligently prosecute, defend, or discontinue the action;
- (b) the complainant is acting in good faith; and
- (c) it appears to be in the interests of the corporation or its subsidiary that the action be brought, prosecuted, defended, or discontinued.

Place of Meetings

Subject to certain exceptions, the OBCA provides that meetings of shareholders shall be held at the place within Ontario provided in the by-laws. Under the BCBCA, general meetings of shareholders are to be held in British Columbia, or may be held at a location outside of British Columbia if:

- (a) the location is provided for in the articles;
- (b) the articles do not restrict the company from approving a location outside of British Columbia, the location is approved by the resolution required by the articles for that purpose (in the case of the company, may be approved by directors' resolution), or if no resolution is specified then approved by ordinary resolution before the meeting is held; or
- (c) the location is approved in writing by the BC Registrar before the meeting is held.

Directors

The BCBCA provides that a company must have at least one director unless it is a public company, in which case, it must have at least three directors and does not impose any residency requirements on the directors. The OBCA also requires that a corporation must have one or more directors as provided for in the corporation's articles. The OBCA also requires that at least one-quarter of the directors be Canadian residents.

Requisition of Meetings

Both the OBCA and the BCBCA provide that one or more shareholders of the company holding not less than 5% of the issued voting shares may give notice to the directors requiring them to call and hold a general meeting of the shareholders of the company.

Form of Proxy and Circular

The BCBCA relies on the *Securities Act* (British Columbia) and the OBCA relies on the *Securities Act* (Ontario) to supply the requirements and forms applicable to reporting companies. Each statute requires a company to mail its annual audited financial statements to shareholders not less than 21 days before each annual meeting of shareholders only to the shareholders who have asked to receive them.

Rights of Dissent to the Continuance

Registered holders of common shares who wish to dissent should take note that strict compliance with the dissent procedures of the BCBCA is required.

The following description of the rights of dissenting shareholders to dissent in respect of the Continuance is not a comprehensive statement of the procedures to be followed by a dissenting shareholder and is qualified in its entirety by the reference to the full text of Division 2 of Part 8 of the BCBCA, which is attached to this Circular as Schedule “F”. A shareholder who intends to exercise the dissent rights should carefully consider and comply with the provisions of Division 2 of Part 8 of the BCBCA. Failure to strictly comply with the provisions of the BCBCA and to adhere to the procedures set out therein, may result in the loss of all rights thereunder.

A registered shareholder is entitled, in addition to any other right such registered shareholder may have, to dissent and to be paid by the Corporation the fair value of the common shares of the Corporation held by such registered shareholder in respect of which such registered shareholder dissents, determined immediately before the Continuance Resolution is passed, excluding any appreciation or depreciation in anticipation of the Continuance unless exclusion would be inequitable.

Persons who are beneficial shareholders of the Corporation who wish to dissent with respect to their shares should be aware that only registered shareholders are entitled to dissent with respect to them. A registered shareholder such as an intermediary who holds common shares of the Corporation as nominee for beneficial shareholders, some of whom wish to dissent, must exercise dissent rights on behalf of such beneficial shareholders with respect to those shares held for those respective beneficial shareholders. In such case, the Notice of Dissent (as hereinafter) should set forth the number of common shares it covers.

A registered shareholder who wishes to dissent must send a written notice of dissent (the “**Notice of Dissent**”) objecting to the Continuance Resolution to the registered office of the Corporation at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8 by 2:00 p.m. (Vancouver time) on June 21, 2018, two business days prior to the Meeting. The Notice of Dissent must set out the number of common shares held by the dissenting shareholder.

The delivery of a Notice of Dissent does not deprive such dissenting shareholder of its right to vote at the Meeting, however, a vote in favour of the Continuance Resolution will result in a loss of its dissent rights. A vote against the Continuance Resolution, whether in person or by proxy, does not constitute a Notice of Dissent, but a shareholder need not vote its common shares against the Continuance Resolution in order to object. Similarly, the revocation of a proxy conferring authority on the proxy holder to vote in favour of the Continuance Resolution does not constitute a Notice of Dissent in respect of the Continuance

Resolution, but any such proxy granted by a shareholder who intends to dissent should be validly revoked in order to prevent the proxy holder from voting such shares in favour of the Continuance Resolution. A vote in favour of the Continuance Resolution, whether in person or by proxy, will constitute a loss of the corresponding shareholder's dissent rights. However, a registered shareholder may vote as a proxy holder for another shareholder whose proxy required an affirmative vote, without affecting the right of the proxy holder to exercise dissent rights.

If the Continuance Resolution is approved at the Meeting or at an adjournment thereof, the Corporation is required to deliver to each dissenting shareholder a notice (the "**Notice of Intention**") stating that the Corporation intends to effect the Continuance, and advising the dissenting shareholder that if it intends to proceed with exercising its dissent rights, it must deliver to the Corporation, within one month of the date of the Notice of Intention, a written statement that such dissenting shareholder requires the Corporation to purchase all of its dissenting shares, together with any share certificates representing such dissenting shares. If dissent rights are being exercised by someone other than the beneficial owner of the shares, this written statement must be signed by such beneficial owner.

A dissenting shareholder delivering such written statement will be deemed to have sold to the Corporation all of its dissenting shares and the Corporation will be deemed to have purchased those dissenting shares. A dissenting shareholder who has delivered such written statement may not vote, or exercise or assert any rights of a shareholder, in respect of the dissenting shares, other than under Division 2 of Part 8 of the BCBCA.

The Corporation and a dissenting shareholder may agree on the amount of the payout value of the dissenting shares or if no agreement has been reached, the dissenting shareholder or the Corporation may apply to the courts of British Columbia for adjudication, where such court may:

- (a) determine the payout value of the dissenting shares of those dissenting shareholders who have not entered into an agreement with the Corporation, or order that such value be established by arbitration or by reference to the registrar, or a referee, of the court;
- (b) join in the application each dissenting shareholder, who has not agreed with the Corporation on the amount of the payout value of the dissenting shares; and
- (c) make consequential orders and give directions as it considers appropriate.

Promptly after the payout value of the dissenting shares has been agreed or determined, as the case may be, the Corporation must pay to the dissenting shareholder the payout value with respect to its dissenting shares.

The Corporation may not make a payment to a dissenting shareholder under Division 2 of Part 8 of the BCBCA if there are reasonable grounds for believing that the Corporation is or would after the payment be unable to pay its debts as they become due in the ordinary course of its business. In such event, the Corporation will notify each dissenting shareholder that the Corporation is unable lawfully to pay dissenting shareholders for their dissenting shares, in which case a dissenting shareholder may, by written notice to the Corporation within 30 days after receipt of such notice, withdraw its Notice of Dissent, in which case the Corporation will be deemed to consent to the withdrawal and such shareholder will be reinstated with full rights as a shareholder of the Corporation. If a dissenting shareholder does not withdraw its Notice of Dissent, such dissenting shareholder retains a status as a claimant against the Corporation, to be paid as soon as the Corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Corporation but in priority to the shareholder of the Corporation.

If a dissenting shareholder fails to strictly comply with the requirements of the dissent rights set out in the BCBCA, it will lose its dissent rights and the Corporation will return to the dissenting shareholder the certificates representing the dissenting shares that were delivered to the Corporation, if any, and if the Continuance is implemented, that dissenting shareholder will be deemed to have participated in the Continuance on the same basis as any non-dissenting shareholder of the Corporation.

If a dissenting shareholder strictly complies with the requirements of the dissent rights, but the Continuance is not implemented, the Corporation will return to the dissenting shareholder the certificates delivered to the Corporation by the dissenting shareholder, if any.

Shareholders of the Corporation should consult their legal advisors with respect to the legal rights available to them in relation to the Continuance and the dissent rights.

7. Re-Approval of 10% Rolling Stock Option Plan

The Corporation's existing 10% rolling stock option plan (the "**Stock Option Plan**") was implemented to provide effective incentives to senior officers, directors, employees (including management company employees), consultants, or investor relations persons of the Corporation or its subsidiaries (the "**Eligible Persons**") and to enable the Corporation to attract, retain, and motivate experienced and qualified individuals in those positions by providing such individuals with the opportunity to acquire, through Common Share options, an increased proprietary interest in the Corporation.

The Stock Option Plan was last approved by Shareholders at the annual general and special meeting of the Corporation held on January 13, 2017. A copy of the Stock Option Plan is attached as Schedule "G" to this Circular.

Pursuant to the rules of the Exchange, a rolling stock option plan, such as the Stock Option Plan, must be re-approved by a majority of the Shareholders every year. Accordingly, the Stock Option Plan, which does not have a fixed maximum number of securities issuable there under, is being submitted to the Shareholders for approval at the Meeting.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, in the form set out below (the "**Option Plan Resolution**"), subject to such amendments, variations, or additions as may be approved at the Meeting, approving the adoption of the re-approval of the Stock Option Plan. To be effective, the Option Plan Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting.

The text of the Option Plan Resolution to be submitted to shareholders at the Meeting is set forth below, subject to such amendments, variations or additions as may be approved at the Meeting:

"BE IT RESOLVED THAT as an ordinary resolution:

1. Subject to regulatory approval of the TSX Venture Exchange, and with or without amendments as may be required by thereby, the Stock Option Plan in substantially the form attached as Schedule "G" to the Circular is hereby ratified, confirmed, and approved;
2. The Corporation is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan entitling all of the option holders in aggregate to purchase up to such number of common shares of the Corporation as is equal to 10% of the number of common shares of the Corporation issued and outstanding on the applicable grant date; and

3. Any one director or officer of the Corporation is authorized and directed on behalf of the Corporation to execute all documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing provisions of this resolution.”

The Board recommends that Shareholders vote FOR the approval of the Option Plan Resolution. Unless authority is withheld, the Management Proxyholders intend to vote the Common Shares represented by each proxy, properly executed, FOR the Option Plan Resolution.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

During the financial year ended October 31, 2017, the Corporation had two executive officers who were also directors of the Corporation: (i) Charles Chebry, who served as Chief Executive Officer and Chairman until February 19, 2018; and (ii) Dale Hansen, who served as Chief Financial Officer and Corporate Secretary until January 13, 2017.

The Corporation does not have a formal compensation program. The Board relies on the recommendations of the Compensation Committee and the experience of the directors to ensure that total compensation paid to the Corporation’s management is fair and reasonable.

The Compensation Committee is comprised of the following members as at the date hereof: Richard Grayston (not independent), Mark Ferguson (not independent), and Richard Ko (independent), each of whom have significant managerial experience.

The responsibilities of the Compensation Committee in respect of compensation matters includes reviewing and recommending to the Board the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to CEO compensation and non-CEO officer and director compensation, the review of executive compensation disclosure, succession plans for officers and for key employees and material changes and trends in human resources policy, procedure, compensation, and benefits.

The Compensation Committee meets to discuss and determine management compensation as required, without reference to formal objectives, criteria, or analysis. The general objectives of the Corporation’s compensation decisions are:

- (a) to encourage management to achieve a high level of performance and results with a view to increasing long-term Shareholder value;
- (b) to align management’s interests with the long-term interest of Shareholders;
- (c) to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives, and;
- (d) to ensure that total compensation paid takes into account the Corporation’s overall financial position.

The compensation to executive officers is comprised of salaries or management fees paid to companies controlled by executive officers and incentive stock options in accordance with the Corporation’s stock

option plan. In establishing levels of cash compensation and the granting of stock options, the executive officer's performance, level of expertise, responsibilities, time spent, and comparable levels of remuneration paid to executive officers of peer companies are considered.

Incentive stock options are granted pursuant to the Corporation's Stock Option Plan, which is designed to encourage share ownership on the part of management, directors, employees, and consultants. The Board believes that the Stock Option Plan aligns the interests of the Corporation's personnel with shareholders by linking compensation to the longer term performance of the Corporation's shares. The granting of incentive stock options is a significant component of executive compensation as it allows the Corporation to reward each executive officer's efforts to increase shareholder value without requiring the use of the Corporation's cash reserves.

Stock options are generally granted at the time a director is appointed to the Board, or an executive officer is hired or engaged, and periodically thereafter. Previous grants of options are taken into account by the Board when it considers the granting of new stock options. The Board does not use a formal quantitative valuation technique in determining the granting of options; rather, current and forward-looking market conditions are assessed qualitatively in decisions to grant stock options.

Objectives

It is the objective of the Corporation's compensation program to attract and retain highly qualified executives and to link incentive compensation to performance and shareholder value. It is the goal of the Board to endeavor to ensure that the compensation of the Named Executive Officers is sufficiently competitive to achieve the objectives of the executive compensation program. The Board considers the Corporation's contractual obligations, performance, quantitative financial objectives including relative share value as well as the qualitative aspects of the individual's contributions, performance and achievements.

Elements of the Compensation Program

The Corporation's compensation program is comprised of (i) base salary or management fee arrangements and benefits; (ii) short-term incentive program; and (iii) long-term incentives and stock option plan. Each component of the executive compensation program is addressed below.

Base Salaries or Management Fee Arrangement and Benefits

The Compensation Committee reviews the annual salaries for the Named Executive Officers annually based on corporate and personal performance and on individual levels of responsibility. Salaries of the Named Executive Officers are not determined based on a specific formula. In its review, the Compensation Committee considers recommendations prepared by the Chief Executive Officer, which, in addition to recommendations for the other Named Executive Officers, includes a recommendation for the President and CEO's executive compensation. As stated above, base salaries and management fee arrangements are set so as to be competitive in order to attract and retain highly qualified executives.

Other components of compensation may include personal benefits that are consistent with the overall compensation strategy. There is no formula for how personal benefits are utilized in the total compensation package. The Corporation does not currently provide any pension or retirement benefits to the Named Executive Officers.

Short-Term Incentive

Bonuses are performance based short-term financial incentives and may be paid based on certain indicators such as personal performance, achievement of significant objectives such as financings or acquisitions, and the Corporation's budget and financial strength. Bonus levels will be determined by level of position of the Named Executive Officer with the Corporation. No bonuses were paid to the Named Executive Officers in the financial year ended October 31, 2017.

Long Term Incentives and Stock Option Plan

The Board also administers the Stock Option Plan that is designed to provide a long-term incentive that is linked to shareholder value. The Board, on recommendations from the Compensation Committee, determines the number of options to be granted to each Named Executive Officer based on the level of responsibility and experience required for the position. The Board sets the number of options so as to attract and retain qualified and talented employees. The Board also takes account of the Corporation's contractual obligations and the award history for all participants in the incentive stock option plan.

Risks Associated with the Corporation's Compensation Policies and Practices

The Compensation Committee has considered the implications of the risks associated with the Corporation's compensation practices and has determined that there are no significant areas of risk.

Named Executive Officer Purchase of Financial Instruments

The Corporation has not adopted a policy to prohibit Named Executive Officers and directors from purchasing financial instruments, including prepaid forward contracts, equity swaps, collars, or units of exchange funds (collectively, "**Hedging Contracts**") that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director. Based on information provided to the Corporation by the Named Executive Officers and directors, as of the date of this Circular, no Named Executive Officer or director has purchased any Hedging Contracts with respect to the Corporation.

Significant Changes to Compensation Policies and Practices in 2018

As of the date of this Circular, the Corporation has not determined if it will be making any significant changes to its compensation policies and practices in 2018.

Summary Compensation Table

The following table provides a summary of the compensation earned in respect of the last financial year by (i) any individual who acted as Chief Executive Officer or Chief Financial Officer of the Corporation for any part of the most recently completed financial year; (ii) each of the three most highly compensated executive officers of the Corporation, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000; and (iii) each individual who would have been an executive officer under (ii) but for the fact that the individual was not an executive officer of the Corporation at the end of that financial year (the "**Named Executive Officers**"):

Name and Position ⁽¹⁾	Year ⁽²⁾	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans (\$)	Long-Term Incentive Plans (\$)			
Charles Chebry <i>Chief Executive Officer, Chairman</i> ⁽³⁾	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dale Hansen <i>Chief Financial Officer, Corporate Secretary</i> ⁽⁴⁾	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	\$22,000	Nil	Nil	Nil	Nil	Nil	Nil	\$22,000

Notes:

- (1) No individuals received total compensation of more than \$150,00 in any of the past three financial years. As such, only the Chief Executive Officer and Chief Financial Officer of the Corporation are listed in this table.
- (2) Financial year ended October 31.
- (3) Mr. Richard Grayston was appointed the Chief Executive Officer on February 19, 2018 replacing Mr. Chebry. Mr. Chebry was also a director of the Corporation and did not receive any additional compensation for that role.
- (4) Mr. Hansen ceased to be Chief Financial Officer and Corporate Secretary on January 13, 2017. Mr. Mark Ferguson was appointed the Chief Financial Officer on February 19, 2018. No Chief Financial Officer was appointed in the interim, and no Corporate Secretary has been appointed since Mr. Hansen. Mr. Hansen was also a director of the Corporation and did not receive any additional compensation for that role.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth, for each Named Executive Officer, all option-based and share-based awards outstanding at the end of the most recently completed financial year.

Name and Principal Occupation	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options ⁽¹⁾	Option Exercise Price (\$)	Option Expiry Date	Value of Unexercised In-the-Money Options (\$)	Number of Shares or Units That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed (\$)
Charles Chebry <i>Chief Executive Officer, Chairman</i> ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Dale Hansen <i>Chief Financial Officer, Corporate Secretary</i> ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Each option entitles the holder to purchase one Common Share.
- (2) Mr. Richard Grayston was appointed the Chief Executive Officer on February 19, 2018 replacing Mr. Chebry.
- (3) Mr. Hansen ceased to be Chief Financial Officer and Corporate Secretary on January 13, 2017. Mr. Mark Ferguson was appointed the Chief Financial Officer on February 19, 2018. No Chief Financial Officer was appointed in the interim, and no Corporate Secretary has been appointed since Mr. Hansen.

The following table sets forth the value of option-based and share-based awards and non-equity incentive plan compensation vested or earned by the Named Executive Officers during the most recently completed financial year:

Name and Principal Position of Named Executive Officer ⁽¹⁾	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation - Value Earned During the Year (\$)
Charles Chebry <i>Chief Executive Officer, Chairman</i> ⁽²⁾	Nil	Nil	Nil
Dale Hansen <i>Chief Financial Officer, Corporate Secretary</i> ⁽³⁾	Nil	Nil	Nil

Note:

- (1) No individuals received total compensation of more than \$150,00 in any of the past three financial years. As such, only the Chief Executive Officer and Chief Financial Officer of the Corporation are listed in this table.
- (2) Mr. Richard Grayston was appointed the Chief Executive Officer on February 19, 2018 replacing Mr. Chebry.
- (3) Mr. Hansen ceased to be Chief Financial Officer and Corporate Secretary on January 13, 2017. Mr. Mark Ferguson was appointed the Chief Financial Officer on February 19, 2018. No Chief Financial Officer was appointed in the interim, and no Corporate Secretary has been appointed since Mr. Hansen.

Pension Plan Benefits

The Corporation does not have a defined benefit plan, deferred contribution plan, or a deferred compensation plan.

Termination and Change of Control Benefits

There are no contracts, agreements, plans or arrangements that provide for payments to a Director or Named Executive Officer at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or its subsidiaries or a change in a Named Executive Officer’s responsibilities (excluding perquisites and other personal benefits if the aggregate of this compensation is less than \$150,000).

Director Compensation

The following table provides a summary of compensation provided to the directors of the Corporation, who are not Named Executive Officers, for the most recently completed financial year. See “*Summary Compensation Table*” above for any compensation received by Named Executive Officers for services as a director of the Corporation.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
John McCaffrey ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Kent Britton ⁽²⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) Mr. McCaffrey ceased to be a director of the Corporation on January 13, 2017.
- (2) Mr. Britton ceased to be a director of the Corporation on January 22, 2018.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE EQUITY COMPENSATION PLANS

The following table sets forth aggregated information as at October 31, 2017, with respect to the compensation plan of the Corporation under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in the third column) ⁽²⁾
Equity compensation plans approved by security holders ⁽¹⁾	130,000 ⁽³⁾	\$0.175	927,471
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	130,000⁽³⁾	\$0.175	927,471

Note:

- (1) The only equity compensation plan of the Corporation during the financial year ended October 31, 2017, was the Stock Option Plan, which has been approved by Shareholders.
- (2) The number of Common Shares available for issuance under the Option Plan as at October 31, 2017, was 1,057,471. The number of Common shares available for issuance under the Option Plan is not to exceed 10% of the Corporation's issued and outstanding Common Shares on a non-diluted basis.
- (3) The remaining options outstanding as of October 31, 2017, expired unexercised prior to the Record Date.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors and executive officers, or former directors or executive officers, nor any associate of such individuals, of the Corporation is as at the date hereof, or has been, during the financial year ended October 31, 2017, indebted to the Corporation or its subsidiaries in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding with the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed director or any associate or affiliate of any informed person or proposed director in any transaction since the commencement of our most recently completed financial year, or in

any proposed transaction, that has materially affected or would materially affect the Corporation or any of its affiliates or subsidiaries.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation or any of its subsidiaries which are to any substantial degree performed by a person other than the directors or executive officers of the Corporation or subsidiary.

AUDIT COMMITTEE INFORMATION

Disclosure of the Corporation's audit committee within the context of National Instrument 52-110 – Audit Committees is attached as Schedule "A" to this Circular.

CORPORATE GOVERNANCE

Disclosure of the Corporation's corporate governance practices within the context of National Instrument 58-101 – Disclosure of Corporate Governance Practices is attached as Schedule "B" to this Circular.

OTHER BUSINESS

Management knows of no amendment, variation or other matter to come before the Meeting other than those set forth in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the Common Shares represented by the accompanying proxy will be voted on such matter in accordance with the best judgment of the person or persons voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found under the Corporation's profile on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's comparative financial statements for the year ended October 31, 2017, and related and management's discussion and analysis which can be found under the Corporation's profile on SEDAR at www.sedar.com. Shareholders may also obtain these documents, without charge, upon request to the President at Vela Minerals Ltd., Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

APPROVAL OF DIRECTORS

The contents and the sending of this Circular have been approved by the directors of the Corporation.

DATED as of the 18th day of May, 2018.

"Richard Grayston"

RICHARD GRAYSTON

President, Chief Executive Officer, and Director

**SCHEDULE “A”
AUDIT COMMITTEE DISCLOSURE
(VENTURE ISSUERS)
FORM 52-110F2**

Item 1: The Audit Committee Charter

Mandate

The primary function of the audit committee (the “**Committee**”) of Vela Minerals Ltd. (the “**Corporation**”) is to assist the Corporation’s board of directors (the “**Board**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s system of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
- (b) review and appraise the performance of the Corporation’s external auditors (the “**Auditor**”); and
- (c) provide an open avenue of communication among the Corporation’s Auditor, management and the Board.

Composition, Procedures, and Organization

The Committee shall consist of at least three members. Each member must be a director of the Corporation. A majority of the members of the Committee shall not be officers or employees of the Corporation or of an affiliate of the Corporation. At least 1 member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain working familiarity with basic finance and accounting practices. For the purposes of this Charter, the term “financially literate” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements.

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

The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

Meetings of the Committee

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give the Committee members 24 hours’ advance notice of each meeting and the matters to be discussed at such meeting. Notice may be given personally, by telephone, by facsimile, or by e-mail.

The Auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Corporation's annual financial statements and, if the Committee determines it to be necessary or appropriate, at any other meeting. On request by the Auditor, the Chair shall call a meeting of the Committee to consider any matter that the Auditor believes should be brought to the attention of the Committee, the Board or the shareholders of the Corporation.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Corporation or of an affiliate of the Corporation. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person or by telephone or other communications medium other than telephone are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

The Committee may periodically meet separately with each of management and the Auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the Auditor and management annually to review the Corporation's financial statements.

The Committee may invite to its meeting any director, any manager of the Corporation, and any other person whom it deems appropriate to consult in order to carry out its responsibilities.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

- (a) Review the Corporation's financial statements, including any certification, report, opinion, or review rendered by the Auditor, Management Discussion and Analysis and any annual and interim earnings press releases before the Corporation publicly discloses such information.
- (b) Review and satisfy itself that adequate procedures are in place and review the Corporation's public disclosure of financial information extracted or derived from its financial statements, other than disclosure described in the previous paragraph, and periodically assess the adequacy of those procedures.
- (c) Be directly responsible for overseeing the work by the Auditor (including resolution of disagreements between management and the Auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit review services for the Corporation.
- (d) Require the Auditor to report directly to the Committee.
- (e) Review annually the performance of the Auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation.
- (f) Review and discuss with the Auditor any disclosed relationships or services that may impact the objectivity and independence of the Auditor.
- (g) Take, or recommend that the Board take, appropriate action to oversee the independence of the Auditor.

- (h) Recommend to the Board the external auditor to be nominated at the annual meeting for appointment of the Auditor for the ensuing year and the compensation for the Auditors, or, if applicable, the replacement of the Auditor.
- (i) Review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the Auditor and former independent external auditors of the Corporation.
- (j) Review with management and the Auditor the audit plan for the annual financial statements.
- (k) Review and pre-approve all audit and audit-related services and fees and other compensation related thereto, and any non-audit services provided by the Auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services that were not pre-approved is reasonably expected to constitute not more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to the Auditor during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Corporation at the time of the engagement to be nonaudit services; and
 - (iii) such services are promptly brought to the attention of the Committee and approved, prior to the completion of the audit, by the Committee or by one or more members of the Committee to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the authority to pre-approve non-audit services in satisfaction of the pre-approval requirement set forth in this section provided the pre-approval of non-audit services by any member to whom such authority has been delegated must be presented to the Committee at its first scheduled meeting following such preapproval.

- (l) In consultation with the Auditor, review with management the integrity of the Corporation's financial reporting process, both internal and external.
- (m) Consider the Auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting.
- (n) Consider and approve, if appropriate, changes to the Corporation's auditing accounting principles and practices as suggested by the Auditor and management.
- (o) Review significant judgments made by management in the preparation of the financial statements and the view of the Auditor as to the appropriateness of such judgments.
- (p) Following completion of the annual audit, review separately with management and the Auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of the work or access to required information.
- (q) Review any significant disagreement among management and the Auditor in connection with the preparation of the financial statements.

- (r) Review with the Auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (s) Discuss with the Auditor the Auditor's perception of the Corporation's financial and accounting personnel, any material recommendations which the Auditor may have, the level of co-operation which the Auditor received during the course of their review and the adequacy of their access to records, data or other requested information.
- (t) Review any complaints or concerns about any questionable accounting, internal account controls or auditing matters.
- (u) Establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (ii) the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
- (v) Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable regulatory authorities or legislation.
- (w) Report regularly and on a timely basis to the Board on the matters coming before the Committee.
- (x) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.

Authority

The Committee is authorized:

- (a) to seek any information it requires from any employee of the Corporation in order to perform its duties;
- (b) to engage, at the Corporation's expense, independent legal counsel or other professional advisors in any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the external auditors of the Corporation.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.

Item 2: Composition of the Audit Committee

At the present date, the members of the audit committee are Richard Grayston, Mark Ferguson, and Richard Ko. Only Richard Ko is considered "independent" (as Richard Grayston is the Chief Executive Officer of the Corporation, and Mark Ferguson is the Chief Financial Officer of the Corporation) but all are considered "financially literate", as those terms are defined in National Instrument 52-110 – *Audit Committees* ("NI 52-110") of the Canadian Securities Administrators.

Item 3: Relevant Education and Experience

Mr. Grayston has served as a business consultant with more than 30 years of experience in financial and economic consulting and public company management. Mr. Grayston received a Ph.D. in Finance and Economics from the University of Chicago in 1971, an M.B.A. from the University of Chicago in 1969, and a B.A. in Commerce from the University of British Columbia in 1966. He became a Certified General Accountant in 1977.

Mr. Ferguson has served as director and Chief Financial Officer on a number of public companies primarily in the resource extraction sectors. He has served for over 25 years in senior management roles in the trust and finance sectors.

Mr. Ko has served as a business consultant in Canada, Hong Kong, Taiwan, and China, and as a Senior Financial Analyst with BC Buildings Corporation. He holds a Bachelor of Arts degree, majoring in economics, from the University of Victoria. He has broad experience in accounting and tax matters.

Item 4: Audit Committee Oversight

At no time since the incorporation of the Corporation was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Corporation's Board.

Item 5: Reliance On Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemptions contained in NI 52-110 Sections 2.4 (*De Minimis Non-audit Services*), Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or Part 8 (*Exemption*).

Item 6: Pre-Approval Of Policies And Procedures

Formal policies and procedures for the engagement of non-audit services have not been formulated or adopted by the Committee. Subject to the requirements of the NI 52-110, the engagement of non-audit services shall be considered by the Board, and where applicable, by the Committee, on a case by case basis.

Item 7: External Auditor Services Fees (By Category)

The aggregate fees charged to the Corporation by the external auditor in each of the last 2 fiscal years are as follows:

Financial Year	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All other Fees⁽⁴⁾
2017	\$6,500	Nil	\$500	Nil
2016	\$6,500	Nil	\$500	Nil

Notes:

(1) The aggregate fees billed by the external auditor in each of the last two fiscal years for audit fees.

(2) The aggregate fees billed in each of the last two fiscal years for assurance and related services by the external auditor that are reasonably related to the performance of the audit or review of the Corporations' financial statements and are not reported under (1) above.

(3) The aggregate fees billed in each of the last two fiscal years for professional services rendered by the external auditor for tax compliance, tax advice, and tax planning.

(4) The aggregate fees billed in each of the last two fiscal years for products and services provided by the external auditor, other than the services reported under clauses (1), (2), and (3), above.

Item 8: Exemption

In respect of the period since the Corporation's incorporation, the Corporation is relying on the exemption set out in Section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of the NI 52-110.

[END OF SCHEDULE]

**SCHEDULE “B”
CORPORATE GOVERNANCE DISCLOSURE
(VENTURE ISSUERS)
FORM 58-101F2**

The board of directors (the “**Board**”) of Vela Minerals Ltd. (the “**Corporation**”) believes that good corporate governance improves corporate performance and benefits all shareholders. Regulator authorities have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), which prescribes certain disclosure by the Corporation of its corporate governance practices.

This disclosure is presented below.

Item 1: Board of Directors

Supervision Over Management

There is no specific written mandate of the Board, other than the corporate standard of care set out in the governing corporate legislation of the Corporation, i.e., the Board has overall responsibility for the management, or supervision of the management, of the business and affairs of the Corporation. The Board’s primary tasks are to establish the policies, courses of action and goals of the Corporation and to monitor management’s strategies and performance for realizing them.

All major acquisitions, dispositions, and investments, as well as financing and significant matters outside the ordinary course of the Corporation’s business are subject to approval by the full Board. The Board of Directors does not currently have in place programs for succession planning and training of directors and management. As the growth of the Corporation continues, the Board will consider implementing such programs. In order to carry out the foregoing responsibilities the Board meets on a quarterly basis and as required by circumstances.

Composition of the Board

The Board is comprised of three directors, of whom Richard Ko is considered independent for the purposes of NI 58-101. As a result of Richard Grayston’s position as Chief Executive Officer, and Mark Ferguson’s position as Chief Financial Officer, neither are considered independent for the purposes of NI 58-101.

Item 2: Directorships

The current directors of the Corporation who are presently directors of other reporting issuers in Canada or elsewhere:

Name of Director	Other Reporting Issuer(s)
Richard Grayston	First Legacy Mining Corp. Logan Resources Ltd. Red Rock Capital Corp. Ross River Minerals Inc.
Mark Ferguson	Red Rock Capital Corp.
Richard Ko	Red Rock Capital Corp.

Item 3: Orientation and Continuing Education

New Board members receive an orientation package which includes reports on operations and results, and public disclosure filings by the Corporation. Board meetings are sometimes held at the Corporation's facilities and are combined with tours and presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all Board members.

Item 4: Ethical Business Conduct

The Board has not adopted a formal written code of ethics. As the growth of the Corporation continues, the Board of Directors will consider implementing such policies.

Item 5: Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of view and experience.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, as the Corporation has recently improved its financial position, the Corporation intends to move again towards the creation of formal Compensation and Nominating Committee.

Item 6: Compensation

The Board's mandate includes reviewing and approving appropriate practices for determining and establishing compensation for the directors and officers of the Corporation to ensure it reflects the responsibilities and risks of being a director of a public corporation. See "Executive Compensation" in the Circular to which this Schedule "B" form a part.

Item 7: Other Board Committees

The Board has developed a mandate for the audit committee and reviews such mandate annually. The mandate of the audit committee is described in this Circular under the heading "Audit Committee". As the growth of the Corporation continues, the Board will review its corporate governance practices and implement a more comprehensive corporate governance practices, including the nomination of a corporate governance committee, when appropriate. The Corporation does not currently have any other standing committees.

Item 8: Assessment

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

Concluding Statement

The Corporation has reviewed a number of the recommendations for improved corporate governance. As the Corporation continues to build on its financial position and prospects, the Board intends to implement further corporate governance policies and procedures, including the establishment of formal committees and formal codified policies.

SCHEDULE “C”
SPECIAL RESOLUTION OF THE SHAREHOLDERS
CONTINUANCE UNDER THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

BE IT RESOLVED, AS SPECIAL RESOLUTION, THAT:

1. Vela Minerals Ltd. (the “**Corporation**”) is hereby authorized to apply to the Registrar of Companies for the Province of British Columbia (the “**BC Registrar**”) for authorization pursuant to Section 308 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) to discontinue the Corporation from the BCBCA and to apply to the Director for a Certificate of Continuance continuing the Corporation as if it had been incorporated under the *Business Corporations Act* (Ontario) (the “**OBCA**”);
2. Any one or more of the directors or officers of the Corporation is hereby authorized to do, sign and execute all such further things, deeds, documents, or writings necessary or desirable in connection with the application by the Corporation for the authorization by the BC Registrar, or any other matter relating to Section 308 of the BCBCA;
3. Subject to and conditional upon authorization being received from the BC Registrar pursuant to Section 308 of the BCBCA:
 - (a) any one or more directors or officers of the Corporation are hereby authorized and directed to make an application to the Director for a Certificate of Continuance of the Corporation pursuant to Section 180 of the OBCA and certify that the Corporation is in good standing and that the continuation will not adversely affect the shareholders’ or creditors’ rights;
 - (b) the Articles of Continuance of the Corporation under the OBCA, which have been presented to the shareholders of the Corporation and are attached hereto as Schedule “D”, are approved in all respects, and all amendments to the existing constating documents of the Corporation that are necessary to conform with the laws of Canada and that are reflected in the Articles of Continuance are hereby approved; and
 - (c) upon continuance, the Corporation will have as its By-Laws, the form of By-Laws attached hereto as Schedule “E”, prepared in accordance with the requirements of the OBCA, in substitution for the existing Articles of the Corporation, which By-Laws are approved in all respects and any one director of the Corporation is authorized to sign the By-Laws.
4. The directors are hereby authorized to abandon the application to continue without further authorization of the shareholders of the Corporation if, in their discretion, the directors deem such abandonment to be advisable; and
5. Any one director or officer of the Corporation is authorized and directed on behalf of the Corporation, to take all necessary steps and proceedings, including the execution of any documents required to be filed with the BC Registrar and Ontario’s Central Production and Verification Services Branch and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things as may be necessary or desirable to give effect to this special resolution.

[END OF SCHEDULE]

SCHEDULE "D"
ARTICLES OF CONTINUANCE

1. Name of the corporation: VELA MINERALS LTD.
2. Corporation to be continued under the name: STANDARD URANIUM LTD.
3. Name of jurisdiction the corporation is leaving: BRITISH COLUMBIA
4. Date of incorporation: MAY 19, 2011
5. Address of registered office: SUITE 2100, SCOTIA PLAZA, 40 KING STREET WEST, TORONTO, ONTARIO, M5H 3C2
6. Minimum and maximum number of directors: 1 and 10
7. Directors:

Directors are:	Address for service:	Resident Canadian:
JOHN BEY	SUITE 2100, SCOTIA PLAZA 40 KING STREET WEST TORONTO, ONTARIO, M5H 3C2	Yes
RICHARD GRAYSTON	SUITE 2100, SCOTIA PLAZA 40 KING STREET WEST TORONTO, ONTARIO, M5H 3C2	Yes
MARK FERGUSON	SUITE 2100, SCOTIA PLAZA 40 KING STREET WEST TORONTO, ONTARIO, M5H 3C2	Yes
NEIL MCCALLUM	SUITE 2100, SCOTIA PLAZA 40 KING STREET WEST TORONTO, ONTARIO, M5H 3C2	Yes
BLAIR JORDAN	SUITE 2100, SCOTIA PLAZA 40 KING STREET WEST TORONTO, ONTARIO, M5H 3C2	Yes

8. Restrictions, if any, on the business the corporation may carry on or powers the corporation may exercise: None.
9. Classes and maximum number of shares the corporation is authorized to issue: The Corporation is authorized to issue an unlimited number of common shares.
10. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series: Not applicable.

11. The issue, transfer or ownership of shares is/is not restricted and the restrictions (if any) are as follows: None.
12. Other provisions, (if any): Without in any way restricting the powers conferred upon the Corporation or its board of directors by the Business Corporations Act, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the board of directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:
 - (a) borrow money upon the credit of the Corporation;
 - (b) issue, re-issue, sell or pledge debt obligations of the Corporation;
 - (c) subject to the provisions of the Business Corporations Act, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
 - (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation owned or subsequently acquired, to secure any obligation of the Corporation.

The board of directors may from time to time delegate to a director, a committee of directors or an officer of the Corporation any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.
13. The corporation has complied with subsection 180(3) of the *Business Corporations Act*.
14. The continuation of the corporation under the laws of the Province of Ontario has been properly authorized under the laws of the jurisdiction in which the corporation was incorporated/amalgamated or previously continued on: (date to be confirmed).
15. The corporation is to be continued under the *Business Corporations Act* to the same extent as if it had been incorporated thereunder.

[END OF SCHEDULE]

**SCHEDULE “E”
NEW BY-LAWS**

CONTENTS

1. Interpretation
2. Business of the Corporation
3. Directors
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5. Officers
6. Protection of Directors, Officers and Others
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9. Meetings of Shareholders
10. Notices
11. Electronic Documents
12. Effective Date

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of Standard Uranium Ltd. (the “**Corporation**”) as follows:

**ARTICLE ONE
INTERPRETATION**

Section 1.01 Definitions

In the by-laws of the Corporation, unless the context otherwise requires:

- (a) “Act” means the *Business Corporations Act*, R.S.O. 1990 c. B.16 and the regulations under the Act, as from time to time amended, and every statute that may be substituted therefor and, in the case of such substitution, any reference in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (b) “appoint” includes “elect” and vice versa;
- (c) “articles” means the articles of the Corporation as from time to time amended or restated;
- (d) “board” means the board of directors of the Corporation;
- (e) “by-laws” means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (f) “meeting of shareholders” includes an annual meeting of shareholders and a special meeting of shareholders; “special meeting of shareholders” includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;
- (g) “non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Ontario);

- (h) “recorded address” means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there is more than one; and in the case of a director, officer, auditor or member of a committee of the board his latest address as recorded in the records of the Corporation;
- (i) “*Securities Transfer Act*” means the *Securities Transfer Act* (Ontario) 2006, c.8. as amended from time to time;
- (j) “signing officer” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by paragraph Section 2.03 or by a resolution passed pursuant thereto;
- (k) all terms contained in the by-laws that are not otherwise defined in the by-laws and which are defined in the Act, such as “resident Canadian”, shall have the meanings given to such terms in the Act; and
- (l) the singular shall include the plural and the plural shall include the singular; the masculine shall include the feminine and neuter genders; and the word “person” shall include individuals, bodies corporate, corporations, companies, partnerships, syndicates, trusts, unincorporated organizations and any number or aggregate of persons.

Section 1.02 Conflict with Laws

In the event of any inconsistency between the by-laws and mandatory provisions of the Act or the *Securities Transfer Act*, the provisions of the Act or the *Securities Transfer Act*, as applicable, shall prevail.

ARTICLE TWO BUSINESS OF THE CORPORATION

Section 2.01 Corporate Seal

The Corporation may, but need not adopt a corporate seal and if one is adopted it shall be in such form as the directors may by resolution adopt from time to time.

Section 2.02 Financial Year

The financial year of the Corporation shall be as determined by the board from time to time.

Section 2.03 Execution of Instruments

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by any officer or director, or a combination thereof and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board shall have power from time to time by resolution to appoint any officer or officers or any person or persons or any legal entity on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The seal of the Corporation, if any, may when required be affixed to contracts, documents and instruments in writing signed as set out above or by any officer or officers, person or persons, appointed as set out above by resolution of the board.

The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, movable or immovable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures, notes or other securities and all paper writings.

The signature or signatures of the Chairman of the Board (if any), the Vice-Chairman of the Board, the President, any Executive Vice-President, or any Vice-President together with any one of the Secretary, the Treasurer, an Assistant Secretary, an Assistant Treasurer or any one of the foregoing officers together with any one director of the Corporation and/or any other officer or officers, person or persons, appointed as aforesaid by resolution of the board may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically or electronically reproduced upon any contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation on which the signature or signatures of any of the foregoing officers or directors or persons authorized as aforesaid shall be so reproduced pursuant to special authorization by resolution of the board, shall be deemed to have been manually signed by such officers or directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation.

Section 2.04 Banking Arrangements

The banking business of the Corporation, or any part thereof, including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time by resolution prescribe or authorize.

Section 2.05 Custody of Securities

All shares and securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board, with such other depositaries or in such other manner as may be determined from time to time by resolution of the board.

All share certificates, bonds, debentures, notes or other obligations or securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

Section 2.06 Voting Shares and Securities in other Companies

All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board shall from time to time by resolution determine. The proper signing officers of the Corporation may also from time to time execute and deliver for and on

behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board.

ARTICLE THREE DIRECTORS

Section 3.01 Number of Directors and Quorum

The number of directors of the Corporation shall be the number of directors as specified in the articles or, where a minimum and maximum number of directors is provided for in the articles, the number of directors of the Corporation shall be the number of directors determined from time to time by special resolution or, if a special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board. Subject to the Act, the quorum for the transaction of business at any meeting of the board shall be a majority of the number of directors then in office and or such greater number of directors as the board may from time to time by resolution determine.

Section 3.02 Qualification

No person shall be qualified for election as a director if disqualified in accordance with the Act (which would currently include: a person who is less than 18 years of age; a person who has been found under the *Substitute Decisions Act*, 1992 or under the *Mental Health Act* to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere; a person who is not an individual; or a person who has the status of a bankrupt). A director need not be a shareholder. The board shall be comprised of the number of Canadian residents as may be prescribed from time to time by the Act (which is currently a minimum of 25%). If the Corporation is or becomes an offering corporation within the meaning of the Act, at least one-third of the directors of the Corporation shall not be officers or employees of the Corporation or any of its affiliates.

Section 3.03 Election and Term

The election of directors shall take place at the first meeting of shareholders and at each succeeding annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors as specified in the articles or, if a minimum and maximum number of directors is provided for in the articles, the number of directors determined by special resolution or, if the special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board. The voting on the election shall be by show of hands unless a ballot is demanded by any shareholder. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

Section 3.04 Removal of Directors

Subject to the provisions of the Act, the shareholders may by ordinary resolution passed at a meeting specially called for such purpose remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by a quorum of the directors.

Section 3.05 Vacation of Office

A director ceases to hold office when he dies or, subject to the Act, resigns; he is removed from office by the shareholders in accordance with the Act; he becomes of unsound mind and is so found by a court in Canada or elsewhere or if he acquires the status of a bankrupt.

Section 3.06 Vacancies

Subject to the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the number or maximum number of directors or from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders. In the absence of a quorum of the board, or if the vacancy has arisen from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy. If the directors then in office fail to call such meeting or if there are no directors then in office, any shareholder may call the meeting.

Section 3.07 Action by the Board

The board shall manage or supervise the management of the business and affairs of the Corporation. Subject to paragraph Section 3.08, the powers of the board may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

Section 3.08 Electronic Participation

Subject to the Act, if all of the directors consent, a director may participate in a meeting of the board or a committee of the board by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate adequately with each other, and a director participating in a meeting by such means shall be deemed to be present at that meeting. A consent is effective whether given before or after the meeting and may be given with respect to all meetings of the board and committees of the board.

Section 3.09 Place of Meetings

Meetings of the board may be held at any place within or outside Ontario. In any financial year of the Corporation a majority of the meetings of the board need not be held within Canada.

Section 3.10 Calling of Meetings

Subject to the Act, meetings of the board shall be held from time to time on such day and at such time and at such place as the board, the Chairman of the Board (if any), the President, an Executive Vice-President or a Vice-President who is a director or any one director may determine and the Secretary or Assistant Secretary, when directed by the board, the Chairman of the Board (if any), the President, an Executive Vice-President or a Vice-President who is a director or any one director shall convene a meeting of the board.

Section 3.11 Notice of Meeting

Notice of the date, time and place of each meeting of the board shall be given in the manner provided in paragraph Section 10.01 to each director not less than 48 hours (exclusive of any part of a non-business

day) before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified.

A director may in any manner waive notice of or otherwise consent to a meeting of the board.

Section 3.12 First Meeting of New Board

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

Section 3.13 Adjourned Meeting

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

Section 3.14 Regular Meetings

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of a schedule of regular meetings of the board setting forth the proposed dates, times and places of such regular meetings shall be sent to each director at the commencement of each calendar year, however, each director shall also be provided with a follow-up notice of meeting and agenda prior to each regularly scheduled meeting.

Section 3.15 Chairman

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: the Chairman of the Board, the President, an Executive Vice-President or a Vice-President. If no such officer is present, the directors present shall choose one of their number to be chairman.

Section 3.16 Votes to Govern

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

Section 3.17 Conflict of Interest

A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of the meetings of the directors the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or shareholders, and a director interested in a contract or transaction so referred to the board shall not attend any part of a meeting of the board during which the contract or transaction is discussed and shall not vote on any resolution to approve the same except as permitted by the Act. If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of this section, the remaining directors shall be deemed to constitute a quorum for the purposes of

voting on the resolution. Where all of the directors are required to disclose their interests pursuant to this section, the contract or transaction may be approved only by the shareholders.

Section 3.18 Remuneration and Expenses

The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for traveling and other expenses properly incurred by them in attending meetings of the shareholders or of the board or any committee thereof or otherwise in the performance of their duties. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

ARTICLE FOUR COMMITTEES

Section 4.01 Committee of Directors

The board may appoint a committee of directors, however designated, and delegate to such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of directors has no authority to exercise.

Section 4.02 Transaction of Business

The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place within or outside Ontario.

Section 4.03 Audit Committee

The board may, and shall if the Corporation becomes an offering corporation within the meaning of the Act, elect annually from among its number an audit committee to be composed of not fewer than three directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act.

Section 4.04 Advisory Committees

The board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

4.05 Procedure

Unless otherwise determined by the board, each committee shall have power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

ARTICLE FIVE OFFICERS

Section 5.01 Appointment

The board may from time to time appoint a Chairman of the Board, a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and such other officers as the board may determine, including one or more assistants to any of the officers

so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to paragraph Section 5.02, an officer may but need not be a director and one person may hold more than one office. In case and whenever the same person holds the offices of Secretary and Treasurer, he may but need not be known as the Secretary-Treasurer. All officers shall sign such contracts, documents, or instruments in writing as require their respective signatures. In the case of the absence or inability to act of any officer or for any other reason that the board may deem sufficient, the board may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

Section 5.02 Chairman of the Board

The Chairman of the Board, if appointed, shall be a director and shall, when present, preside at all meetings of the board. Each committee of the board shall appoint a Chairman which shall be a member of the relevant committee of the board and shall, when present, preside at all meetings of committees of the board. The Chairman of the Board shall be vested with and may exercise such powers and shall perform such other duties as may from time to time be assigned to him by the board. During the absence or disability of the Chairman of the Board, his duties shall be performed and his powers exercised by the President.

Section 5.03 President

The President shall, and unless and until the board designates any other officer of the Corporation to be the Chief Executive Officer of the Corporation, be the Chief Executive Officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation and such other powers and duties as the board may specify. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board if none be appointed or if the Chairman of the Board is absent or unable or refuses to act.

Section 5.04 Executive Vice-President or Vice-President

Each Executive Vice-President or Vice-President shall have such powers and duties as the board or the President may specify. The Executive Vice-President or Vice-President or, if more than one, the Executive Vice-President or Vice-President designated from time to time by the board or by the President, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that an Executive Vice-President or a Vice-President who is not a director shall not preside as chairman at any meeting of the board.

Section 5.05 Secretary or Assistant Secretary

The Secretary or Assistant Secretary shall give or cause to be given as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board may specify.

Section 5.06 Treasurer or Assistant Treasurer

The Treasurer or Assistant Treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the

funds of the Corporation; he shall render to the board whenever required an account of all his transactions as Treasurer or Assistant Treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board may specify. Unless and until the board designates any other officer of the Corporation to be the Chief Financial Officer of the Corporation, the Treasurer or Assistant Treasurer shall be the Chief Financial Officer of the Corporation.

Section 5.07 Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

Section 5.08 Variation of Powers and Duties

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

Section 5.09 Term of Office

The board, in its discretion, may remove any officer of the Corporation, with or without cause, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the board shall hold office until his successor is appointed or until the earlier of his resignation or death.

Section 5.10 Terms of Employment and Remuneration

The terms of employment and the remuneration of an officer appointed by the board shall be settled by it from time to time. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be so determined.

Section 5.11 Conflict of Interest

An officer shall disclose his interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with paragraph Section 3.17.

Section 5.12 Agents and Attorneys

The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the powers to subdelegate) as may be thought fit.

ARTICLE SIX PROTECTION OF DIRECTORS, OFFICERS, AND OTHERS

Section 6.01 Submission of Contracts or Transactions to Shareholders for Approval

The board in its discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the

Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

Section 6.02 For the Protection of Directors and Officers

In supplement of and not by way of limitation upon any rights conferred upon directors by the provisions of the Act, it is declared that no director shall be disqualified by his office from, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director shall be in any way directly or indirectly interested shall be avoided or voidable and no director shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of the fiduciary relationship existing or established thereby. Subject to the provisions of the Act and to paragraph Section 3.17, no director shall be obliged to make any declaration of interest or refrain from voting in respect of a contract or proposed contract with the Corporation in which such director is in any way directly or indirectly interested.

Section 6.03 Limitation of Liability

Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any persons, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly, in good faith and in the best interests of the Corporation and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a company which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

Section 6.04 Indemnity

Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity, if:

- (a) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request;
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful; and
- (c) a court or other competent authority has not judged that the individual has committed any fault or omitted to do anything that the individual ought to have done.

The Corporation shall also indemnify such person in such other circumstances as the Act permits or requires. The Corporation may advance monies to a director, officer or other individual for costs, charges and expenses of a proceeding referred to above. The individual shall repay the monies if he or she does not fulfill the conditions set out in paragraphs (a) and (b) above. Nothing in this by-law shall limit the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

Section 6.05 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in paragraph Section 6.04 against such liabilities and in such amounts as the board may from time to time determine and are permitted by the Act.

ARTICLE SEVEN SHARES

Section 7.01 Allotment

The board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act. Shares may be issued as uncertificated securities or be represented by share certificates in accordance with the provisions of the Act and the Securities Transfer Act.

Section 7.02 Commissions

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of such person purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

Section 7.03 Registration of Transfers

All transfers of securities of the Corporation shall be made in accordance with the Act and the *Securities Transfer Act*. Subject to the provisions of the Act and the Securities Transfer Act, no transfer of shares represented by a security certificate (as defined in the Act) shall be registered in a securities register except upon presentation of the certificate representing such shares with an endorsement which complies with the Act and the *Securities Transfer Act* made thereon or delivered therewith duly executed by an appropriate person as provided by the Act and the *Securities Transfer Act*, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in paragraph Section 7.05.

Section 7.04 Transfer Agents and Registrars

The board may from time to time appoint one or more agents to maintain, in respect of each class of securities of the Corporation issued by it in registered form, a securities register and one or more branch securities registers. Such a person may be designated as transfer agent and registrar according to his functions and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

Section 7.05 Lien for Indebtedness

The Corporation shall have a lien on any share registered in the name of a shareholder or his legal representatives for a debt of that shareholder to the Corporation, provided that if the shares of the Corporation are listed on a stock exchange in or outside Canada, the Corporation shall not have such lien. The Corporation may enforce any lien that it has on shares registered in the name of a shareholder indebted to the Corporation by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

Section 7.06 Non-recognition of Trusts

Subject to the provisions of the Act and the Securities Transfer Act, the Corporation may treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

Section 7.07 Share Certificates and Written Evidence of Ownership

Every holder of one or more shares of the Corporation that are certificated securities under the Act shall be entitled, at his option, to a share certificate, or to a non-transferable written acknowledgement of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with paragraph Section 2.03 and need not be under the corporate seal; provided that, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or

registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate. Holders of uncertificated securities of the Corporation shall be entitled to receive a written notice or other documentation as provided by the Act.

Section 7.08 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3.00, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

Section 7.09 Joint Shareholders

If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such shares.

Section 7.10 Deceased Shareholders

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

ARTICLE EIGHT DIVIDENDS AND RIGHTS

Section 8.01 Dividends

Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

Section 8.02 Dividend Cheques

A dividend payable in cash shall be paid either electronically by direct deposit or by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and, if paid by cheque, mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders any cheque issued shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as set out in this section, unless the same is not paid on due presentation, shall satisfy and discharge the liability for

the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

Section 8.03 Non-receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as set out in section Section 8.02, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

Section 8.04 Record Date for Dividends and Rights

The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

Section 8.05 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

ARTICLE NINE MEETINGS OF SHAREHOLDERS

Section 9.01 Annual Meetings

The annual meeting of shareholders shall be held at such time in each year as the board, the Chairman of the Board (if any) or the President may from time to time determine, in any event no later than the earlier of (i) six months after the end of each of the Corporation's financial years, and (ii) fifteen months after the Corporation's last annual meeting of shareholders, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting.

Section 9.02 Special Meetings

The board, the Chairman of the Board (if any) or the President shall have the power to call a special meeting of shareholders at any time.

Section 9.03 Place of Meetings

Subject to the Corporation's articles, a meeting of shareholders of the Corporation shall be held at such place in or outside of Ontario as the board may determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located. If the Corporation makes available a telephonic, electronic or other communication facility that permits all participants of a shareholders meeting to communicate adequately with each other during the meeting and otherwise complies with the

Act, any person entitled to attend such meeting may participate by means of such communication facility in the manner prescribed by the Act, and any person participating in the meeting by such means is deemed to be present at the meeting.

Section 9.04 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in paragraph Section 10.01 not less than 21 days nor more than 50 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state or be accompanied by a statement of the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

Section 9.05 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to paragraph Section 9.06, the list of shareholders entitled to receive notice of the meeting shall be prepared not later than ten days after such record date. If no record date is fixed, the list of shareholders entitled to receive notice of the meeting shall be prepared as of the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting of shareholders for which the list was prepared.

Section 9.06 Record Date for Notice

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 30 days (or pursuant to the time limitations as may be prescribed by the Act from time to time), as a record date for the determination of the shareholders entitled to receive notice of the meeting, provided that notice of any such record date shall be given not less than seven days before such record date by newspaper advertisement in the manner provided in the Act and, if any shares of the Corporation are listed for trading on a stock exchange in Canada, by written notice to each such stock exchange. If no record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

Section 9.07 Meetings Held by Electronic Means

If the directors or shareholders of the Corporation call a meeting of shareholders pursuant to the Act, the directors may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communications facility that permits all participants to communicate adequately with each other during the meeting.

Section 9.08 Meetings without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act:

- (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy waive notice of or otherwise consent to such meeting being held, and
- (b) if the auditor and the directors are present or waive notice of or otherwise consent to such meeting being held, so long as such shareholders, auditor and directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

Section 9.09 Chairman, Secretary and Scrutineers

The Chairman of the Board or any other director or officer of the Corporation, as determined by the board, may act as chairman of any meeting of shareholders. If no such director or officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the Secretary or Assistant Secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

Section 9.10 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who, although not entitled to vote are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

Section 9.11 Quorum

Subject to the Act, a quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 5% of the issued shares of the Corporation enjoying voting rights at such meeting.

Section 9.12 Right to Vote

The persons entitled to vote at any meeting of shareholders shall be the persons entitled to vote in accordance with the Act.

Section 9.13 Proxies

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing

executed by the shareholder or his attorney authorized in writing (or by electronic signature) and shall conform with the requirements of the Act.

Section 9.14 Time for Deposit of Proxies

The board may by resolution specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting or an adjournment thereof by not more than 48 hours exclusive of any part of a non-business day, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, only if it has been received by the Secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

Section 9.15 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.

Section 9.16 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

Section 9.17 Show of Hands

Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands, which may include such other indication of a vote made by means of the telephonic, electronic or other communication facility, if any, made available by the Corporation for that purpose, unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands, every person who is present, in person or by means of the telephonic, electronic or other communications facility, if any that the Corporation has made available for such purpose, and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question. For the purpose of this section, if at any meeting the Corporation has made available to shareholders the means to vote electronically, any vote made electronically shall be included in tallying any votes by show of hands.

Section 9.18 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a vote by show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which

he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

Section 9.19 Adjournment

The chairman at the meeting of shareholders may with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

Section 9.20 Resolution in Writing

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditor in accordance with the Act.

ARTICLE TEN NOTICES

Section 10.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the directors shall be sufficiently given if delivered personally to the person to whom it is to be given; delivered to the recorded address of the person; mailed to the person's recorded address by prepaid or ordinary or air mail; sent to the person's recorded address by any means of prepaid transmitted or recorded communication; or an electronic document is provided in accordance with Part Twelve of this by-law.

A notice delivered as set out in this section is deemed to have been given when it is delivered personally or to the recorded address; a notice mailed as set out in this section shall be deemed to have been given when deposited in a post office or public letter box; and a notice sent by means of transmitted or recorded communication as set out in this section is deemed to have been dispatched or delivered to the appropriate communication company or agency or its representative for dispatch; and a notice sent by electronic means as set out in this section and Part Twelve shall be deemed to have been given upon receipt of reasonable confirmation of transmission to the designated information system indicated by the person entitled to receive such notice. The corporate secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the directors in accordance with any information believed by him or her to be reliable. The Secretary or Assistant Secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

Section 10.02 Signature to Notices

The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, mechanically reproduced or electronically reproduced in whole or in part.

Section 10.03 Proof of Service

With respect to every notice sent by post it is sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in this by-law and put into a post office or into a letter box. With respect to every notice or other document sent as an electronic document it is sufficient to prove that the electronic document was properly addressed to the designated information system as provided in this by-law and sent by electronic means. A certificate of the Chairman of the Board (if any), the President, an Executive Vice-President, a Vice-President, the Secretary, the Assistant Secretary, the Treasurer or the Assistant Treasurer or of any other officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to the facts in relation to the mailing or delivery of any notice or other document to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation as the case may be.

Section 10.04 Notice to Joint Shareholders

All notices with respect to shares registered in more than one name shall, if more than one address appears on the records of the Corporation in respect of such joint holdings, be given to all of such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to the holders of such shares.

Section 10.05 Computation of Time

In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event both the date of giving the notice and the date of the meeting or other event shall be excluded.

Section 10.06 Undelivered Notices

If any notice given to a shareholder pursuant to paragraph Section 10.01 is returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.

Section 10.07 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise found thereon.

Section 10.08 Deceased Shareholders

Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then

deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with any person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested with him in such shares.

Section 10.09 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

Section 10.10 Waiver of Notice

Any shareholder (or his duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board which may be given in any manner.

ARTICLE ELEVEN ELECTRONIC DOCUMENTS

Section 11.01 Creation and Provision of Information

Unless the Corporation's articles provide otherwise, and subject to and in accordance with the Act, the Corporation may satisfy any requirement of the Act to create or provide a notice, document or other information to any person by the creation or provision of an electronic document. Except as provided in the Act, "electronic document" means any form of representation of information or of concepts fixed in any medium in or by electronic, optical or other similar means that can be read or perceived by a person by any means.

ARTICLE TWELVE EFFECTIVE DATE

Section 12.01 Effective Date

This by-law shall come into force upon being passed by the board.

[END OF SCHEDULE]

SCHEDULE “F”
DISSENT PROCEEDINGS OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Division 2 — Dissent Proceedings

Definitions and application

Section 237

1. In this Division:

“dissenter” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“notice shares” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“payout value” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

2. This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

Section 238

1. A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;
- (h) in respect of any court order that permits dissent.

2. A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

3. Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
 - (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

Section 239

1. A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
2. A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
 - (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
3. If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
 - (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
4. If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

Section 240

1. If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
 - (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
2. If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
 - (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
3. If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
 - (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and

- (c) if the resolution has passed, notification of that fact and the date on which it was passed.
4. Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

Section 241

If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

Notice of dissent

Section 242

1. A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,
 - (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - (i) the date on which the shareholder learns that the resolution was passed, and
 - (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
2. A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company
 - (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
3. A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company
 - (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
4. A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
 - (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

5. The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

Section 243

1. A company that receives a notice of dissent under section 242 from a dissenter must,
 - (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
2. A notice sent under subsection (1) (a) or (b) of this section must
 - (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

Section 244

1. A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
 - (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
2. The written statement referred to in subsection (1) (c) must
 - (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
3. After the dissenter has complied with subsection (1),
 - (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
4. Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
5. Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
6. A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

Section 245

1. A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
 - (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
2. A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
 - (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
 - (c) make consequential orders and give directions it considers appropriate.
3. Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must
 - (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
4. If a dissenter receives a notice under subsection (1) (b) or (3) (b),
 - (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
5. A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
 - (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

Section 246

The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

Section 247

If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

[END OF SCHEDULE]

**SCHEDULE “G”
STOCK OPTION PLAN**

ARTICLE 1

DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions:** For purposes of the Plan, unless such word or term is otherwise defined herein or the context in which such word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings:

- (a) “Act” means the British Columbia *Business Corporations Act* or its successor, as amended from time to time;
- (b) “Black Out Period” means the period during which designated persons cannot trade Common Shares pursuant to any policy of the Corporation respecting restrictions on trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation, or in respect of an insider, that insider, is subject);
- (c) “Business Day” means each day other than a Saturday, Sunday or statutory holiday in British Columbia;
- (d) “Committee” means the Directors or, if the Directors so determine in accordance with Section 2.03 of the Plan, the committee of the Directors authorized to administer the Plan, which includes any compensation committee of the board;
- (e) “Common Shares” means the Common Shares of the Corporation, as adjusted in accordance with the provisions of Section 5.06 of the Plan;
- (f) “Consultant” means a person, other than an employee or a director of the Corporation or of any Designated Affiliate of the Corporation, that:
 - (i) is engaged to provide services to the Corporation or any Designated Affiliate of the Corporation, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract with the Corporation or any Designated Affiliate of the Corporation;
 - (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or any Designated Affiliate of the Corporation; and
 - (iv) has a relationship with the Corporation or any Designated Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Issuer.

and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (g) “Consulting Contract” means any contract between the Corporation or any Designated Affiliate of the Corporation and any Eligible Consultant relating to, or entered into in connection with, services to be provided to the Corporation or a Designated Affiliate by the Eligible Consultant;
- (h) “Corporation” means Vela Minerals Ltd., a corporation incorporated under the Act and its successors and assigns;
- (i) “Designated Affiliate” means the affiliates of the Corporation designated by the Committee for purposes of the Plan from time to time;
- (j) “Directors” means the board of directors of the Corporation from time to time;
- (k) “Eligible Consultants” means bona fide Consultants of the Corporation or any Designated Affiliate of the Corporation;
- (l) “Eligible Directors” means the Directors or the directors of any Designated Affiliate of the Corporation from time to time;
- (m) “Eligible Employees” means bona fide employees and officers, whether Directors or not, and including both full-time and part-time employees, of the Corporation or any Designated Affiliate of the Corporation;
- (n) “Employment Contract” means any contract between the Corporation or any Designated Affiliate of the Corporation and any Eligible Employee relating to, or entered into in connection with, the employment of the Eligible Employee or between the Corporation or a Designated Affiliate and an Eligible Director with respect to his or her directorship or resignation therefrom;
- (o) “Market Price” means the last closing trading price of the Common Shares on the Stock Exchange, or another stock exchange where the majority of the trading volume and value of the Common Shares occurs;
- (p) “Option” means an option to purchase Common Shares granted pursuant to, or governed by, the Plan;
- (q) “Optionee” means a Participant to whom an Option has been granted pursuant to the Plan;
- (r) “Option Period” means the period of time during which the particular Option may be exercised and commences on the date of the grant of the Option, unless otherwise specified by the Committee;
- (s) “Participant” means each Eligible Employee, Eligible Director and Eligible Consultant;
- (t) “Plan” means this stock option plan; and
- (u) “Stock Exchange” means the TSX Venture Exchange or if not listed on this exchange any other stock exchange upon which the Common Shares are listed for trading.

Section 1.02 **Securities Definitions:** In the Plan, the terms “affiliate”, “associate” and “insider” shall have the meanings given to such terms in the *Securities Act* (British Columbia). The term “affiliate” shall include those issuers that are similarly related, whether or not any of the issuers are corporations, companies, partnerships, limited partnership, trusts, income trusts or investment trusts or any other organized entity issuing securities. The term “insider” shall include associates and affiliates of the insider.

Section 1.03 **Headings:** The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.

Section 1.04 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.

Section 1.05 **References to this Plan:** The words “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

Section 1.06 **Canadian Funds:** Unless otherwise specifically provided, all references to dollar amounts in the Plan are references to lawful money of Canada.

ARTICLE 2

PURPOSE AND ADMINISTRATION OF THE PLAN

Section 2.01 **Purpose of the Plan:** The Plan provides for the acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of employees, officers, directors and consultants of the Corporation and the Designated Affiliates of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by employees, officers, directors and consultants of the Corporation and Designated Affiliates of the Corporation, it being generally recognized that share incentive plans aid in attracting, retaining and encouraging employees, officers, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

Section 2.02 **Administration of the Plan:** The Plan shall be administered by the Committee and the Committee shall have full authority to administer the Plan including the authority to interpret and construe any provision of the Plan and to adopt, amend and rescind such rules and regulations for administering the Plan as the Committee may deem necessary in order to comply with the requirements of the Plan. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan. All costs incurred in connection with the Plan shall be for the account of the Corporation.

Section 2.03 **Delegation to Committee:** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors or in the absence of a committee of the Directors, by the full board of Directors, including any compensation committee of the board of directors, which delegation may be revoked at any time.

Section 2.04 **Record Keeping:** The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee;
- (b) the number of Common Shares subject to Options granted to each Optionee; and
- (c) the aggregate number of Common Shares subject to Options.

Section 2.05 **Determination of Participants and Participation:** The Committee shall from time to time determine the Participants who may participate in the Plan. The Committee shall from time to time determine the number of Common Shares to be issued to the Participants to whom Options shall be granted, the number of Common Shares to be made subject to and the expiry date of each Option granted to each Participant and the other terms of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant.

Section 2.06 **Number of Shares Available under the Plan:** There shall be available at all times for issuance under the Plan that number of Common Shares as is equal to 10% (on a non-diluted basis) of the number of issued and outstanding Common Shares of the Corporation from time to time. For greater certainty, the number of Common Shares available for issuance under the Plan shall not be decreased as a result of the issuance of Common Shares upon the exercise of Options nor increased upon the surrender, termination or expiry of Options unexercised in whole or in part. If the Corporation repurchases for cancellation Common Shares such that the foregoing percent test is not met following such repurchase, this shall not constitute non-compliance under the Plan. Expired or cancelled options are returned to the plan.

Section 2.07 **Further Limitations to the Issuance of Shares under the Plan:**

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant the Plan shall not exceed 5% of the issued shares of the Corporation (determined at the date the option was granted) to any one individual in a 12 month period, unless the Corporation has obtained the requisite disinterested shareholder approval.
- (b) The number of options granted to any one Consultant in a 12 month period shall not exceed 2% of the issued shares of the Corporation, calculated at the date the option was granted to the Consultant.
- (c) The aggregate number of options granted to persons employed to provide Investor Relations Activities (as defined in the policies of the Stock Exchange) must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date the option was granted.

ARTICLE 3

STOCK OPTION PLAN

Section 3.01 **The Stock Option Plan and Participants:** A stock option plan is hereby established for Eligible Employees, Eligible Directors and Eligible Consultants.

Section 3.02 **Exercise Price:** The price per share at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that such price shall be not lower than the Market Price of the Common Shares at the time the Option is granted, and if the Common Shares are not listed on a stock exchange, the fair market value of the Common Shares at the time the Option is granted as determined by the Committee.

Section 3.03 **Term of Option:**

- (a) The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to any Employment Contract or Consulting Contract, provided that no Option Period shall exceed 10 years.
- (b) Should the expiration date for an Option fall within a Black Out Period or within nine Business Days following the expiration of a Black Out Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Black Out Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan, provided that in no event shall the Option Period exceed 10 years.
- (c) Notwithstanding Section 5.02, the ten Business Day period referred to in this Section 3.03(b) may not be extended by the Committee.

Section 3.04 **Limit on Options to be Exercised:** Subject to compliance with the policies of the Stock Exchange, the Committee shall determine the manner in which an Option shall vest and become exercisable. Options granted to Insiders and options granted at a discount to Market Price shall have a hold period of four months from the date of issue.

Notwithstanding the foregoing, Options issued to Consultants performing Investor Relations Activities shall vest over 12 months with no more than 25% of the Options vesting in any three month period.

Section 3.05 **Eligible Participants on Exercise:** An Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period as specified in Section 3.04, provided however that, except as otherwise specifically provided in Section 7.01 hereof or in any Employment Contract or Consulting Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of grant of such Option, provided however that a leave of absence with the approval of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of the Plan;

- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of grant of such Option; and
- (c) in the case of an Eligible Consultant, a Consultant of the Corporation or a Designated Affiliate and has been a such a Consultant continuously since the date of grant of such Option.

Section 3.06 **Payment of Exercise Price**

- (a) **Direct Exercise:** The issue of Common Shares on exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised plus any amount the Corporation determines, in its discretion, is required to satisfy the Corporation's withholding tax and source deduction remittance obligations in respect of the exercise of the Options and issuance of Common Shares, and payment of such amounts to the Corporation is in cash or by certified cheque delivered to the registered office of the Corporation together with a validly completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of the Plan. Subject to Section 6.03 hereof, upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised and any amount required to satisfy withholding tax and source deduction requirements, the Corporation shall as soon as practicable issue and deliver a certificate representing the Common Shares so purchased.

Section 3.07 **Necessary Approvals:** The obligation of the Corporation to issue and deliver any Common Shares in accordance with the Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any Option exercise price paid to the Corporation shall be returned to the Participant.

ARTICLE 4

WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

Section 4.01 **Withholding Taxes:** The Corporation or any Designated Affiliate may take such steps as it considers necessary or appropriate for the deduction and withholding of any taxes and other required source deductions which the Corporation or the Designated Affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit in connection with this Plan, any Options, the exercise or surrender by an Optionee of any Options or any issuance of any Common Shares. Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit from any cash remuneration or other amount payable to the Optionee, whether or not related to the Plan, any Options, the exercise or surrender by an Optionee of any Options or the issuance of any Common Shares; (ii) allow the Optionee to make a cash payment to the Corporation equal to the amount required to be remitted, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Optionee; or (iii) sell, on behalf of the Optionee, that number of Common Shares to be issued upon the exercise of Options such

that the amount withheld by the Corporation from the proceeds of such sale will be sufficient to satisfy any taxes required to be remitted by the Corporation for the account of the Optionee. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to an Optionee on the exercise of Options may be made conditional upon the Optionee (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment in a timely manner of all taxes required to be remitted for the account of the Optionee.

Section 4.02 Securities Laws of the United States of America: Neither the Options which may be granted pursuant to the provisions of the Plan nor the Common Shares which may be acquired pursuant to the exercise of Options have been registered under the United States Securities Act of 1933, as amended (the "U.S. Act"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Act or to be qualified under the securities laws of any state of the United States of America;
- (c) other than as contemplated by subsection 4.02(c) hereof, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to the Plan or of any interest therein which might be subject to the requirements of the U.S. Act in the absence of an effective registration statement relating thereto under the U.S. Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Act and then will only dispose of such Common Shares in the manner so proposed; and
- (d) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to the Plan shall be transferred unless the provisions of the Plan have been complied with.

ARTICLE 5

GENERAL

Section 5.01 Section 5.01 Effective Date of the Plan: The Plan shall become effective upon a date to be determined by the Directors.

Section 5.02 Amendment or Discontinuance of the Plan: The Committee may from time to time in the absolute discretion of the Committee amend, modify and change the provisions of the Plan or any Options granted pursuant to the Plan, provided that any amendment, modification or change to the provisions of the Plan or any Options granted pursuant to the Plan shall:

- (a) be subject to any regulatory approvals, including the approval of the Stock Exchange, where required;

- (b) be subject to shareholder approval in accordance with the rules of the Stock Exchange in circumstances where the amendment, modification or change to the Plan or Option would increase the fixed maximum percentage of Common Shares which may be issued pursuant to the Plan;
- (c) be subject to disinterested shareholder approval in accordance with the rules of the Stock Exchange if the Optionee is an insider of the Corporation at the time of the amendment;
- (d) not be subject to shareholder approval in any circumstance (other than those listed in (b) and (c) above), including, but not limited to, circumstances where the amendment, modification or change to the Plan or Option would:
 - (i) be of a “housekeeping nature”, including any amendment to the Plan or an Option that is necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange and any amendment to the Plan or an Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
 - (ii) change the exercise price of an Option to a exercise price not below the Discounted Market Price (as defined by the policies of the Stock Exchange), unless the change is a reduction in the exercise price of an Option held by an insider of the Corporation;
 - (iii) alter, extend or accelerate any vesting terms or conditions in the Plan or any Option other than an Option held by an insider of the Corporation;
 - (iv) amend or modify any mechanics for exercising any Option;
 - (v) change the expiration date (including acceleration thereof) or change any termination provision in any Option, provided that such change does not entail an extension beyond the original expiration date of such Option (subject to such date being extended by virtue of Section 3.04(b));
 - (vi) change the application of Section 6.01 (Consolidation, Merger etc.), Section 5.06 (Adjustment in Number of Shares Subject to the Plan) or Section 6.02 (Securities Exchange Take-over Bid) of the Plan;
 - (vii) (vii) add a form of financial assistance or amend a financial assistance provision which is adopted; or
 - (viii) change the eligible Participants of the Plan.

The Directors may discontinue the Plan at any time without the consent of the Participants provided that such discontinuance shall not adversely alter or impair any Option previously granted.

Section 5.03 **Non-Assignable:** No rights under the Plan and no Option awarded pursuant to the provisions of the Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 5.04 **Rights as a Shareholder:** No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall

be entitled to receive, and no adjustment shall be made for, any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date of exercise of any Option.

Section 5.05 No Contract of Employment: Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in the Plan by a Participant shall be voluntary.

Section 5.06 Adjustment in Number of Shares Subject to the Plan: In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under the Plan;
- (b) the number of Common Shares subject to any Option; and
- (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of the Plan.

Section 5.07 No Representation or Warranty: The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of the Plans.

Section 5.08 Compliance with Applicable Law: If any provision of the Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.09 Interpretation: This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

ARTICLE 6

CONSOLIDATION, TAKEOVER

Section 6.01 Consolidation, Merger, etc.: If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a transfer of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an Option under the Plan, the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to such event, unless the Committee otherwise determines the basis upon which such Option shall be exercisable. The Committee may, in the circumstances of such a transaction, send notice to all Optionee requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionee shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality.

Section 6.02 Securities Exchange Take-over Bid: In the event that the Corporation becomes the subject of a takeover bid (within the meaning of the *Securities Act* (British Columbia)) pursuant to which 100% of the issued and outstanding Common Shares are acquired by the Offeror, either directly or as a result of the compulsory acquisition provisions of the incorporating statute, and where consideration is paid in whole or in part in equity securities of the Offeror, the Committee may, in the circumstances of such a transaction, send notice to all Optionee requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionee shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the Offeror delivers with such notice an irrevocable and unconditional offer to grant replacement options to each Optionee entitling the Optionee to acquire, upon exercise of such replacement options either: (i) the number of equity securities of the Offeror and, if applicable, cash which the Optionee would have received pursuant to the take-over bid if the holder had exercised the Option immediately prior to such bid; or (ii) if the consideration payable pursuant to the bid is a combination of cash and equity securities of the Offeror, the number of equity securities of the Offeror, as determined by the Committee acting in good faith, that the Optionee would have received had the consideration pursuant to the bid consisted solely of equity securities; and
- (b) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

Section 6.03 Acceleration on Take-over Bid: If there is a take-over bid (within the meaning of the *Securities Act* (British Columbia)) made for all or any of the issued and outstanding Common Shares, then all Options outstanding become immediately exercisable, notwithstanding Section 3.04 hereof, in order to permit Common Shares issuable under such Options to be tendered to such bid.

ARTICLE 7

TERMINATION

Section 7.01 Effect of Termination: If a Participant:

- (a) dies while an Optionee, any Option held by such Optionee at the date of death shall become immediately exercisable notwithstanding Section 3.03 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of twelve months after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is sooner.
- (b) ceases to be a director of the Corporation and any of its Designated Affiliates (and is not or does not continue to be an employee thereof) for any reason (other than death);
- (c) ceases to be employed by, or be an officer of, the Corporation and any of its Designated Affiliates (and is not or does not continue to be a director thereof), for any reason (other than death), including circumstances involving receipt of notice from the Corporation or any of its Designated Affiliates of the termination of his or her Employment Contract; or
- (d) ceases to be engaged by, or be a Consultant of the Corporation and any of its Designated Affiliates, for any reason (other than death), including circumstances involving receipt of

notice from the Corporation or any of its Designated Affiliates of the termination of his, her or its Consulting Contract;

(collectively, "Termination") then with respect to (b), (c) and (d) above, such Participant may, but only within 30 days next succeeding such Termination, exercise his or her Options to the extent that such Participant was entitled to exercise such options at the date of such Termination, provided that in no event shall such right extend beyond the Option Period.

Section 7.02 Section 7.01 is subject to any Employment Agreement, Consulting Agreement or any other agreement to which the Corporation or its Designated Affiliates is a party with respect to the rights of such Participant upon Termination or change in control of the Corporation.

[END OF SCHEDULE]