

## PINEHURST CAPITAL II INC.

### ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

To the shareholders of Pinehurst Capital II Inc. (the "**Corporation**"):

**NOTICE IS HEREBY GIVEN** that the Annual and Special Meeting (the "**Meeting**") of the shareholders of the Corporation will be held on December 14, 2020 at 1:00 p.m. (Toronto Time) at Exchange Tower, 130 King St. West, Suite 2210, Toronto, Ontario, M5X 1E4 for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended December 31, 2019, together with the auditor's report thereon;
2. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix the remuneration of the auditor;
3. to increase the number of directors of the Corporation within the minimum and maximum numbers provided for in the articles of the Corporation from four (4) to six (6) upon the Effective Time, as more particularly described in the information circular in respect of the Meeting (the "**Circular**");
4. to elect the directors of the Corporation for the ensuing year and, subject to and conditional on the completion of the Qualifying Transaction (as such term is defined in Policy 2.4 – Capital Pool Companies of the Corporate Finance Manual of the TSX Venture Exchange) with Alliant Gold Corp. (formerly 1252201 B.C. Ltd.) (the "**Transaction**") to elect the directors of the Corporation as it exists immediately following the completion of the Transaction (the "**Resulting Issuer**") for the ensuing year, as more particularly described in the Circular;
5. to consider and, if deemed appropriate, approve with or without amendment, but subject to and conditional on the completion of the Transaction, an ordinary resolution approving the omnibus equity incentive plan of the Resulting Issuer, as more particularly described in the Circular;
6. to consider and, if deemed appropriate, approve with or without amendment, but subject to and conditional on the completion of the Transaction, a special resolution authorizing the change of the Corporation's name to "Aurea Mining Inc." or such other name as the directors may in their sole discretion determine, as more particularly described in the Circular;
7. to consider and, if deemed appropriate, approve with or without amendment, but subject to and conditional on the completion of the Transaction, a special resolution approving the continuance of the Corporation's corporate existence from the *Business Corporations Act* (Ontario) to the *Business Corporations Act* (British Columbia), as more particularly described in the Circular;
8. to consider and, if deemed appropriate, approve with or without amendment, but subject to and conditional on the completion of the Transaction, a special resolution approving an amendment to the articles of incorporation of the Corporation to consolidate all of the issued and outstanding common shares of the Corporation (the "**Common Shares**") on the basis of the Consolidation Ratio (as that term is defined in the Circular), with the final ratio to be determined jointly by the Corporation and Alliant Gold Corp.; and
9. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular.

Only shareholders of record of Common Shares at the close of business on November 9, 2020 are entitled to notice of and to attend the Meeting or any adjournments thereof and to vote thereat.

Registered holders of Common Shares who are unable to be present at the Meeting are requested to date and sign the enclosed form of proxy and return it to Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com) not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any postponement or adjournment thereof.

Beneficial shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy in accordance with the instructions provided by their broker or intermediary. To be effective, a proxy must be received by Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any postponement or adjournment thereof.

To mitigate risks related to the evolving global COVID-19 (coronavirus) public health emergency, the Corporation is providing access to the Meeting virtually via Zoom. Shareholders who access the Meeting via Zoom will be able listen to the Meeting and ask questions in an informal question and answer period regardless of their geographic location or particular circumstances they may be facing as a result of COVID-19. However, registered shareholders, and duly appointed proxyholders will not be able to vote via Zoom. **In light of COVID-19, we strongly encourage shareholders to vote in advance of the Meeting with the instructions provided in the Circular, rather than appearing in person or appointing an alternate proxyholder to attend the Meeting in person.**

In order to access the Meeting, shareholders and proxyholders will have two options, being via teleconference or through the Zoom application, which requires internet connectivity.

In order to access the Meeting through Zoom, attendees will need to download the application onto their computer or smartphone and, once the application is loaded, enter the Meeting ID and Password below or open the following link:

<https://zoom.us/j/98226829854?pwd=b1hCWVJiK3FkUWlwd09BZkZkRmNFZz09>.

Shareholders and proxyholders will have the option through the application to join the video and audio or simply view and listen.

Meeting ID: 982 2682 9854

Password: 928885

Join by telephone only:

+1 647 374 4685 (Toronto)  
+1 647 558 0588 (Toronto Alternative)  
+1 253 215 8782 US (Tacoma)  
+1 301 715 8592 US (Washington D.C.)  
+1 312 626 6799 US (Chicago)  
+1 346 248 7799 US (Houston)  
+1 669 900 6833 US (San Jose)  
+1 929 205 6099 US (New York)

It is the attendees' responsibility to ensure connectivity during the Meeting and the Corporation encourages its shareholders to allow sufficient time to log in to the Meeting before it begins.

## **DISCLAIMER**

**ANY PERSON WHO ATTENDS THE MEETING IN PERSON DOES SO AT HIS OR HER OWN RISK AND BY ATTENDING THE MEETING IN PERSON, SUCH PERSON ACKNOWLEDGES AND AGREES THAT THE CORPORATION AND THE DIRECTORS, OFFICERS AND AGENTS THEREOF ARE NOT LIABLE TO THE PERSON FOR ANY ILLNESSES OR OTHER ADVERSE REACTIONS THAT MAY RESULT FROM SUCH PERSON'S ATTENDANCE AT THE MEETING. ANY PERSON WHO ATTEMPTS TO ENTER THE MEETING BUT IS DENIED ENTRY ACKNOWLEDGES AND AGREES THAT HE, SHE OR IT SHALL HAVE NO CLAIM AGAINST THE CORPORATION OR ITS, DIRECTORS, OFFICERS OR AGENTS FOR SUCH DENIAL OF ENTRY INTO THE MEETING.**

Any person who is experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing or has travelled in the 21 days prior to the Meeting will not be permitted entry into the Meeting.

**The situation with COVID-19 continues to evolve as we prepare this document. It is possible that there may be new restrictions or other regulatory actions prior to the Meeting that may impact the procedures or arrangements for the Meeting. If any such developments cause a change in the Meeting arrangements described in this document, the Corporation will advise shareholders by issuing a news release, a copy of which will be available on SEDAR at <http://www.sedar.com> and will be incorporated by reference herein.**

Non-registered beneficial shareholders should follow the instructions of their intermediaries in order to vote their shares.

DATED as of the 13<sup>th</sup> day of November, 2020.

*"David Rosenkrantz"*

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David Rosenkrantz  
Chief Executive Officer,  
Pinehurst Capital II Inc.

**PINEHURST CAPITAL II INC.**

**Management Information Circular**

**November 13, 2020**

**PINEHURST CAPITAL II INC.****INFORMATION CIRCULAR FOR THE ANNUAL AND SPECIAL MEETING OF  
SHAREHOLDER TO BE HELD ON DECEMBER 14, 2020****Purpose of Solicitation**

This Management Information Circular (the "**Information Circular**") and accompanying forms of proxy are furnished in connection with the solicitation of proxies by the management of Pinehurst Capital II Inc. for use at the meeting of shareholders of the common shares ("**Common Shares**") of the Corporation to be held on December 14, 2020 at the Exchange Tower, 130 King St. West, Suite 2210, Toronto, Ontario, M5X 1E4, commencing at 1 p.m. (Toronto Time) (the "**Meeting**"), and at any adjournment or postponement thereof, for the purposes set forth in the accompanying notice of meeting (the "**Notice of Meeting**").

**VOTING AND PROXIES**

Unless otherwise noted or the context otherwise indicates, references to the "**Corporation**" and "**Pinehurst**" refer to Pinehurst Capital II Inc. Unless otherwise indicated, all dollar amounts in this Information Circular are given as of November 13, 2020.

It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers or employees of the Corporation without special compensation, or by the Corporation's transfer agent, Computershare Investor Services Inc. ("**Computershare**"), at nominal cost. Brokers, nominees or other persons holding shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The Corporation will assume the costs of solicitation, which are expected to be minimal.

**We strongly encourage shareholders not to attend the meeting in person and instead to vote their Common Shares by proxy.** Any person who is experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing or has travelled in the 21 days prior to the Meeting will not be permitted entry into the Meeting. We may take additional precautionary measures in relation to the Meeting in response to further developments in the COVID-19 outbreak in our sole discretion.

**ANY PERSON WHO ATTENDS THE MEETING IN PERSON DOES SO AT HIS OR HER OWN RISK AND BY ATTENDING THE MEETING IN PERSON, SUCH PERSON ACKNOWLEDGES AND AGREES THAT THE CORPORATION AND THE DIRECTORS, OFFICERS AND AGENTS THEREOF ARE NOT LIABLE TO THE PERSON FOR ANY ILLNESSES OR OTHER ADVERSE REACTIONS THAT MAY RESULT FROM SUCH PERSON'S ATTENDANCE AT THE MEETING. ANY PERSON WHO ATTEMPTS TO ENTER THE MEETING BUT IS DENIED ENTRY ACKNOWLEDGES AND AGREES THAT HE, SHE OR IT SHALL HAVE NO CLAIM AGAINST THE CORPORATION OR ITS, DIRECTORS, OFFICERS OR AGENTS FOR SUCH DENIAL OF ENTRY INTO THE MEETING.**

Notwithstanding the foregoing, it is desirable that as many Common Shares as possible be

represented at the Meeting. If you do not expect to attend in person and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. To be valid, all instruments of proxy must be deposited with Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, or via the internet at [www.investorvote.com](http://www.investorvote.com) not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any postponement or adjournment thereof. Late instruments of proxy may be accepted or rejected by the Chairman of the Meeting in his or her discretion and the Chairman is under no obligation to accept or reject any particular late instruments of proxy.

**All references to "shareholders" in this Information Circular, the accompanying forms of proxy, and Notice of Meeting are to registered shareholders unless specifically stated otherwise.**

### **Appointment and Revocation of Proxies**

The persons named as proxyholders in the enclosed forms of proxy are directors and/or officers of the Corporation.

**A shareholder submitting a form of proxy has the right to appoint a person other than the persons indicated in such proxy form to act as his or her proxyholder. To do so, the shareholder must write the name of such person in the appropriate space on the forms of proxy.**

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting in person must submit their proxy or voting instruction form and provide Computershare with their proxyholder's contact information.

The persons named as proxies will vote or withhold from voting the Common Shares in respect of which they are appointed or vote for or against any particular question, in accordance with the instructions of the shareholder appointing them. In the absence of such instructions, the Common Shares will be voted in favor of all matters identified in the enclosed Notice of Meeting. The enclosed forms of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and to other matters which may properly come before the Meeting. At the time of printing of this Information Circular, the management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any amendments or other matters not known to management should properly come before the Meeting, the accompanying forms of proxy confers discretionary authority upon the persons named therein to vote on such amendments or matters in accordance with their best judgment.

A shareholder giving a proxy may revoke it at all times by a document signed by him or her or by a proxyholder authorized in writing or, if the shareholder is a corporation, by a document signed by an officer or a proxyholder duly authorized, given to Computershare not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or any postponement or adjournment thereof, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof.

### Advice to Beneficial Holders

**The information set forth in this section should be reviewed carefully by beneficial shareholders of the Corporation. Shareholders who do not hold their Common Shares in their own name should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of shares, or the persons they appoint as their proxies, will be recognized and acted upon at the Meeting.**

The information set forth in this section is of significant importance to many shareholders of the Corporation, as a substantial number of shareholders do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to herein as "**beneficial shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder's name on the records of the Corporation. Such shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as its nominee for many Canadian brokerage firms). Shares held by brokers or their agents or nominees can only be voted upon the instructions of the beneficial shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. Therefore, beneficial shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.

Beneficial shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting in person must submit their proxy or voting instruction form and provide Computershare with their proxyholder's contact information.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by beneficial shareholders in order to ensure that their shares are voted at the Meeting. Often, the forms of proxy supplied to a beneficial shareholder by its broker is identical to the forms of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scanable voting instruction form in lieu of the forms of proxy. The beneficial shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the beneficial shareholder can call a toll-free telephone number to vote the shares held by the beneficial shareholder or vote via the internet at [www.investorvote.com](http://www.investorvote.com). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A beneficial shareholder receiving a voting instruction form cannot use that voting instruction form to vote shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the shares voted.

Although a beneficial shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or agent of the broker), a

beneficial shareholder may attend at the Meeting as proxyholder for a registered shareholder and vote the Common Shares in that capacity. Beneficial shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for a registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

There are two kinds of beneficial shareholders: those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object (called "**NOBOs**" for Non-Objecting Beneficial Owners).

Issuers can request and obtain a list of their NOBOs from intermediaries via their transfer agents pursuant to means National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), and issuers can use this NOBO list for distribution of meeting materials directly to NOBOs. The Corporation has decided to take advantage of those provisions of NI 54-101 that allow it to directly deliver meeting materials to its NOBOs. As a result, NOBOs can expect to receive a voting instruction form from Computershare. These voting instruction forms are to be completed and returned to Computershare in the envelope provided or by facsimile. Computershare will tabulate the results of the voting instruction forms received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by voting instruction forms they receive. Alternatively, NOBOs may vote following the instructions on the voting instruction form, by calling a toll-free telephone number or via the internet at [www.investorvote.com](http://www.investorvote.com).

### **Participating at the Meeting**

The Meeting will begin at 1 p.m. (Toronto Time) on December 14, 2020. Shareholders and duly appointed proxyholders can attend the Meeting in person at the Exchange Tower, 130 King St. West, Suite 2210, Toronto, Ontario, M5X 1E4.

**IN LIGHT OF COVID-19, WE STRONGLY ENCOURAGE SHAREHOLDERS TO VOTE IN ADVANCE OF THE MEETING IN ACCORDANCE WITH THE INSTRUCTIONS PROVIDED IN THIS INFORMATION CIRCULAR, AND SHAREHOLDERS ARE ENCOURAGED NOT TO ATTEND THE MEETING IN PERSON IF AT ALL POSSIBLE.**

### **Dissent Rights**

Registered shareholders have a right to dissent with respect to the special resolution, with or without variation, the full text of which is set forth in this Information Circular, to approve the Continuance (as hereinafter defined) of the Corporation under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") and to be paid an amount equal to the fair value of their shares. The dissent procedures require that a registered shareholder who wishes to dissent send a written notice of objection to the Continuance Resolution (as hereinafter defined) to the Chief Executive Officer of the Corporation, at the Exchange Tower, 130 King St. West, Suite 2210, Toronto, Ontario, M5X 1E4, Attention: David Rosenkrantz, to be received at or before the commencement of the Meeting, and must otherwise strictly comply with the dissent procedures set out in the *Business Corporations Act* (Ontario) (the "**OBCA**"). In the event the Continuance (hereinafter defined under the section entitled "*Continuance under the Business Corporations Act (British Columbia)*") becomes effective,

each shareholder who properly dissents and becomes a dissenting shareholder (each a "**dissenting shareholder**") will be entitled to be paid the fair value of the shares in respect of which such holder dissents in accordance with Section 185 of the OBCA. Shareholders who vote in favor of the Continuance shall not be entitled to dissent.

The statutory provisions covering the right to dissent are technical and complex. Failure to strictly comply with the dissent procedures set forth in Section 185 of the OBCA may result in the loss of any right to dissent. See the section entitled "*Continuance under the Business Corporations Act (British Columbia) – Shareholders' Right to Dissent with Respect to the Continuance Resolution*" in this Information Circular. **A beneficial shareholder who wishes to dissent should be aware that only registered shareholders are entitled to dissent.** Accordingly, a beneficial shareholder who desires to exercise the right of dissent must make arrangements for the shares beneficially owned by such holder to be registered in such holder's name prior to the time the written objection to the Continuance Resolution is required to be received by the Corporation, or alternatively, make arrangements for the registered holder of such shares to dissent on such beneficial shareholder's behalf. Pursuant to Section 185 of the OBCA, a shareholder is only entitled to dissent in respect of all of the shares held by such dissenting shareholder or on behalf of any one beneficial shareholder and registered in the name of the dissenting shareholder.

See Schedule "B" for a copy of the provisions of Section 185 of the OBCA. See also the section entitled "*Continuance under the Business Corporations Act (British Columbia) – Shareholders' Right to Dissent with Respect to the Continuance Resolution*" in this Information Circular.

### **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 person(s) designated by management of the Corporation in the enclosed form of proxy will be voted for or against or withheld from voting in accordance with the instructions given on the ballot, and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **If no choice is specified in the proxy, the person designated in the accompanying form of proxy will vote in favour of all other matters proposed by management at the Meeting, as more particularly described in this Information Circular.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments 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 thereof. As of the date of this Information Circular, management of the Corporation is not aware of any such amendment or other matter to come before the Meeting. However, if any amendments 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 thereof, the Common Shares represented by properly executed proxies given in favour of the person(s) designated by management of the Corporation in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

Any matter that is submitted to a vote of shareholders by ordinary resolution at the Meeting must be approved, unless otherwise indicated in this Information Circular, by simple majority (affirmative vote of at least 50% plus one) of the votes cast thereon.

The requisite approval for the Consolidation Resolution and the Name Change Resolution (defined below) is at least 66 $\frac{2}{3}$ % of the votes cast on such resolutions by shareholders present in person or represented by proxy at the Meeting.

### **Attending the Meeting via Zoom**

To mitigate risks related to the evolving global COVID-19 public health emergency, the Corporation is providing access to the Meeting virtually via Zoom. Shareholders will have an equal opportunity to attend the Meeting online regardless of geographic location. **In light of COVID-19, we strongly encourage shareholders to vote in advance of the Meeting with the instructions provided in this Information Circular, rather than appearing in person or appointing an alternate proxyholder to attend the Meeting in person.**

Shareholders who access the Meeting via Zoom will be able listen to the Meeting and ask questions in an informal question and answer period regardless of their geographic location or particular circumstances they may be facing as a result of COVID-19. However, registered shareholders and duly appointed proxyholders will not be able to vote via Zoom.

In order to access the Meeting, shareholders and proxyholders will have two options, being via teleconference or through the Zoom application, which requires internet connectivity.

In order to access the Meeting through Zoom, attendees will need to download the application onto their computer or smartphone and, once the application is loaded, enter the Meeting ID and Password below or open the following link:  
<https://zoom.us/j/98226829854?pwd=b1hCWVJiK3FkUWlwd09BZkZkRmNFZz09>.

Shareholders and proxyholders will have the option through the application to join the video and audio or simply view and listen.

Meeting ID: 982 2682 9854  
Password: 928885

Join by telephone only:

+1 647 374 4685 (Toronto)  
+1 647 558 0588 (Toronto Alternative)  
+1 253 215 8782 US (Tacoma)  
+1 301 715 8592 US (Washington D.C.)  
+1 312 626 6799 US (Chicago)  
+1 346 248 7799 US (Houston)  
+1 669 900 6833 US (San Jose)  
+1 929 205 6099 US (New York)

It is the attendees' responsibility to ensure connectivity during the Meeting and the Corporation encourages its shareholders to allow sufficient time to log in to the Meeting before it begins.

The ability of shareholders and proxyholders to attend the Meeting in person is subject to any governmental orders applicable at the time of the Meeting which might prevent or restrict shareholders and duly appointed proxyholders from attending in person.

Shareholders and proxyholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>).

We ask that shareholders and proxyholders also review and follow the instructions of any regional health authorities of the Province of Ontario, including Public Health Ontario and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 21 days immediately prior to the Meeting.

The Corporation is monitoring developments regarding COVID-19. If the Corporation decides any changes to the date, time, location or format of the Meeting are necessary or appropriate due to difficulties arising from COVID-19, shareholders will be promptly notified of the change through the issuance of a news release, a copy of which will be available on SEDAR at <http://www.sedar.com> and will be incorporated by reference herein.

### **Qualifying Transaction**

The Corporation has entered into an amalgamation agreement dated September 10, 2020, as the same may be amended, restated and/or supplemented from time to time (the "**Amalgamation Agreement**"), with Alliant Gold Corp. (formerly 1252201 B.C. Ltd.) ("**Alliant**") in respect of a proposed business combination with Alliant (the "**Transaction**"). It is currently contemplated that the Transaction will be completed by way of a "three-cornered" amalgamation, pursuant to which Alliant and a wholly-owned subsidiary of the Corporation will amalgamate and the resulting entity will become a wholly-owned subsidiary of the Corporation. If completed, the Transaction is intended to constitute the "**Qualifying Transaction**" of the Corporation under Policy 2.4 – *Capital Pool Companies* (the "**CPC Policy**") of the TSX Venture Exchange (the "**TSXV**") and shareholders of Alliant will own the substantial majority of the Common Shares of the Corporation. All references herein to the "**Resulting Issuer**" refer to the Corporation after the completion of the Transaction. The Corporations intend that the Transaction will be completed immediately following the completion by Alliant of the acquisition of the Ana Paula gold development project, located in the Guerrero Gold belt of Mexico, from Argonaut Gold Inc., as more particularly described in the press release issued by the Corporation on September 11, 2020.

**Shareholders are not required to approve the Transaction.** However, the Transaction is very important to the Corporation and certain matters to be considered at the Meeting are necessary in order to prepare the Corporation to complete the Transaction. Full details regarding Alliant and the Transaction will be disclosed by the Corporation in a filing statement (the "**Filing Statement**") to be prepared and filed under the CPC Policy. The Filing Statement will be posted on SEDAR at [www.sedar.com](http://www.sedar.com) prior to the completion of the Transaction. Management of the Corporation will endeavour to post the Filing Statement on SEDAR as quickly as possible; however, the posting thereof may not occur until on or about the date of the Meeting or thereafter. Shareholders are urged

to review the press releases issued by the Corporation on September 11, 2020 announcing and describing the Transaction, and the Filing Statement of the Corporation if, as, and when, filed on SEDAR as it will contain important disclosure regarding the Resulting Issuer and the Transaction.

Certain of the resolutions sought to be passed by the shareholders at the Meeting will be conditions to the completion of the Transaction. Failure to pass these resolutions could impede or prevent the completion of the Transaction.

### **Voting Shares and Principal Shareholders Thereof**

The authorized share capital of the Corporation consists of an unlimited number of Common Shares. Each Common Share entitles the holder thereof to one (1) vote, in person or by proxy, at any shareholders meeting.

As of the Record Date, the Corporation had 5,000,000 Common Shares issued and outstanding. The board of directors of the Corporation (the "**Board**") has fixed a record date of November 9, 2020 (the "**Record Date**") to determine shareholders entitled to receive the Notice of Meeting. The failure of any shareholder to receive a copy of the Notice of Meeting does not deprive the shareholder of the right to vote at the Meeting. Only holders of Common Shares as of the Record Date are entitled to vote such shares at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, the following persons will beneficially own, directly or indirectly, or exercise control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation:

<b>Name and Municipality of Residence of Shareholder</b>	<b>Type of Ownership</b>	<b>Number and Percentage of Common Shares Owned<sup>(1)(2)</sup></b>
David Rosenkrantz Toronto, Ontario	Of record and beneficially	666,680 (13.33%)
Ilana Prussky Toronto, Ontario	Of record and beneficially	566,660 (11.33%)
Paul De Luca Toronto, Ontario	Of record and beneficially	666,660 (13.33%)
Total		1,900,000 (38%)

#### NOTES:

- (1) These Common Shares are subject to escrow pursuant to the policies of the TSXV.
- (2) Percentages are prior to giving effect to the exercise of any incentive stock options. Assuming exercise of all of the stock options, the percentage of Common Shares owned by these holders would be as follows: (i) David Rosenkrantz – 13.65%; (ii) Ilana Prussky – 11.93%; and (iii) Paul De Luca – 13.65%.

## **BUSINESS TO BE TRANSACTED AT THE MEETING**

### **Number of Directors**

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a special resolution (i) increasing the number of directors of the Corporation from four (4) to six (6) upon the effective time of the closing of the Transaction (the "**Effective Time**"), and (ii) empowering the directors of the Corporation to set the number of directors within the minimum and maximum numbers provided for in the articles of the Corporation by way of resolution from time to time. It is desirable to increase the number of directors of the Corporation in order to elect the appropriate number of directors of the Corporation to serve from the Effective Time until the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed (the "**New Slate**"). To be effective, this resolution must be approved by the affirmative vote of not less than two-thirds (66 $\frac{2}{3}$ %) of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.

Shareholders will be asked at the Meeting to consider and, if thought appropriate, to pass a special resolution, the text of which is as follows:

**"BE IT RESOLVED** as a special resolution that:

1. the provision in the previous special resolution, if any, by which the directors of the Corporation were empowered to determine by resolution their number, within the minimum and maximum numbers set out in the articles, is repealed;
2. the number of directors of the Corporation within the minimum and maximum numbers provided for in the articles is increased from four (4) to six (6) upon the Effective Time as defined in the management information circular dated November 13, 2020; and
3. the directors of the Corporation are hereafter empowered to determine by resolution from time to time the number of directors of the Corporation within the minimum and maximum numbers provided for in the articles of the Corporation.

(the "**Number of Directors Resolution**")."

**In order to be passed, the Number of Directors Resolution requires the approval of two-thirds (66 $\frac{2}{3}$ %) of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE NUMBER OF DIRECTORS RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Number of Directors Resolution.**

### **Election of Directors**

At the Meeting, shareholders are required to elect the directors of the Corporation to hold office until the next annual meeting of shareholders or until the successors of such directors are elected

or appointed. It is desirable, in connection with the Transaction, (A) to elect the current directors of the Corporation (the "**Current Slate**") to serve from the close of the Meeting until the earlier of (i) the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed; and (ii) the Effective Time; and (B) to elect the New Slate to serve from the Effective Time until the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

The Amalgamation Agreement contemplates that it will be a condition to the completion of the Transaction that the New Slate, comprised of six (6) individuals, all of whom are nominees of Alliant, be elected, effective at the Effective Time, as directors of the Resulting Issuer.

At the time of the Meeting, the Transaction will not yet have been completed and there can be no assurance at that time that it will be completed.

Shareholders will be asked at the Meeting to consider, and if thought appropriate, to pass an ordinary resolution, to elect each of David Rosenkrantz, Ilana Prussky, Paul De Luca and Tracy Graf to hold office until the earlier of: (a) the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed; and (b) the Effective Time; and to elect each of Bruce Bragagnolo, Francisco Manuel Cordova Celaya, Mike Petrina, Jesus Gutierrez, Thomas F. Fudge Jr., and Leslie L. Kapusianyk as the directors of the Corporation, to hold office from the Effective Time until the next annual meeting of the shareholders or until their successors are elected or appointed.

The persons designated as proxyholders in the accompanying proxy (absent contrary directions) intend to vote FOR the election of the directors as set forth above and therein. The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying proxy will be voted for another nominee in their discretion unless the shareholder has specified in his or her proxy that his or her Common Shares are to be withheld from voting in the election of directors. Each director elected as a Current Slate director will hold office from the close of the Meeting until the earlier of (i) the next annual meeting of shareholders or until their successors are elected or appointed, or (ii) the Effective Time, and each director elected as a New Slate director will hold office from the Effective Time until the next annual meeting of shareholders or until their successors are elected or appointed, all as the case may be, unless his office is earlier vacated in accordance with the articles of the Corporation or the provisions of the OBCA. If the holders of Common Shares do not elect the New Slate of directors, the Transaction may not proceed.

### **Current Slate**

The following sets forth the name of each of the members of the Current Slate, and each such nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation, as applicable, the number of Common Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof:

Name, Municipality of Residence and Position with the Corporation	Director or Officer Since	Number of Common Shares Owned	Principal Occupation
David Rosenkrantz <sup>(1)(2)</sup> Toronto, Ontario Director, CEO and CFO	July 13, 2018	666,680	Chairman of Patuca Corporation
Ilana Prussky Toronto, Ontario Director, Treasurer and Secretary	August 20, 2018	566,660	President of Ilana Carly Limited
Paul De Luca <sup>(1)</sup> Toronto, Ontario Director	August 20, 2018	666,660	Managing Partner of Owens Wright LLP
Tracy Graf <sup>(1)</sup> Sylvan Lake, Alberta Director	October 23, 2018	100,000	President of Carfinco Financial Group Inc.

Note:

- (1) Member of the audit committee of the Corporation (the "**Audit Committee**"). See section "*Audit Committee*" of this Information Circular.
- (2) Chair of the Audit Committee.

#### Other Reporting Issuer Experience

The following table sets out the names of the members of the Current Slate that are directors of other issuers that are reporting issuers (or the equivalent) in Canada or a foreign jurisdiction, the name of such reporting issuers and the name of the exchange or market applicable to such reporting issuers.

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	Term
David Rosenkrantz	Aimia Inc.	Toronto Stock Exchange	Director	February 2020 to Present
	Pinehurst Capital I Inc.	TSXV	Director, Executive Officer	July 2018 to Present
	Pinehurst Capital II Inc.	TSXV	Director, Executive Officer	July 2018 to Present
	NexgenRx Inc.	TSXV	Director	July 2013 to June 2019
	Aurora Spine Corporation	TSXV	Director, Chairman of Board	September 2013 to Present
	Carfinco Financial Group Inc.	Toronto Stock Exchange	Director	January 2012 to March 2015

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	Term
Tracy Graf	Pinehurst Capital II Inc.	TSXV	Director	October 2018 to Present
	Trakopolis IoT Corp.	TSXV	Director, Chairman of Board	October 2016 to January 2020
	LoneStar West Inc.	TSXV	Director	December 2009 to July 2017
	Carfinco Financial Group Inc.	Toronto Stock Exchange	Director, Executive Officer	January 2012 to March 2015
	Aurora Spine Corporation	TSXV	Director	August 2013 to Present
	Less Mess Storage Inc.	TSXV	Director	May 2014 to December 2015
Paul De Luca	Flow Capital Corp. (formerly, LoGiQ Asset Management Inc.)	TSXV	Director	June 2018 to April 2020
	Grenville Strategic Royalty Corp. (formerly, Troon Ventures Ltd.)	TSXV	Director	February 2014 to June 2018
	KGIC Inc.	TSXV	Director	March 2015 to June 2015
	Nordex Explosives Ltd.	TSXV	Director	August 2014 to August 2016
Ilana Prussky	Pinehurst Capital I Inc.	TSXV	Director	August 2018 to Present
	Pinehurst Capital II Inc.	TSXV	Director, Executive Officer	August 2018 to Present

The following are brief biographies of each of the members of the Current Slate:

**Ilana Prussky** – Director, age 25

Ilana Prussky, 25, is President of Ilana Carly Limited, a consulting firm engaged in the travel industry. Ms. Prussky holds a TICO registration with the Travel Industry Council of Ontario. Ms. Prussky holds a B.A. (Economics) from The University of Western Ontario (2017).

**David Rosenkrantz** – Director, CEO and CFO, age 63

Mr. Rosenkrantz has been involved in the investment banking industry for over 20 years. He initially joined a private investment banking boutique in 1986, and in 1993 he co-founded Patuca Corporation, a private merchant bank specializing in financing the equity requirements of small-cap, high growth

companies. He graduated from Carleton University with a Bachelor of Engineering (Civil) degree in 1979 and became a Professional Engineer in 1981. Mr. Rosenkrantz also holds a Masters of Business Administration from York University

Mr. Rosenkrantz has broad knowledge of both private and public capital markets. His strengths include board governance and audit committee work, financial structuring, negotiations with lenders, and business negotiations. Prior career experience includes work as a professional engineer for Stone and Webster Inc. and Shell Canada Limited.

Mr. Rosenkrantz is the Chairman of Patuca Corporation, a merchant bank, a director and Chair of the Audit Committee of Aimia Inc. (TSX: AIM), and a director and Chairman of the Board of Aurora Spine Corporation (TSX:ASG). Mr. Rosenkrantz was previously the Chairman of Carfinco Financial Group Inc. (formerly TSX:CFN prior to its acquisition by Banco Santander, S.A.), a director and member of the Audit Committee of NexgenRx Inc., a leading drug adjudication business, Chairman of the Board of Versent Inc., a private company, a director of RAS Completions Inc., a private company, and a director of PreMD Inc. (TSX:PMD, AMEX:PME). Mr. Rosenkrantz was also a director and Chairman of the Board of Stellar Pharmaceuticals Inc. (TSXV:SLX, Q:SLXCF), and the lead director of Medisystem Technologies Inc. (TSX:MDY, acquired by Shoppers Drug Mart Corp.).

**Paul De Luca** – Director, age 44

Mr. De Luca is the managing partner of Owens Wright LLP, a law firm in Toronto. Mr. De Luca is experienced in corporate and securities matters, with an emphasis on corporate finance, public and private mergers and acquisitions, corporate governance and venture capital transactions. Mr. De Luca has particular experience in advising public companies in connection with securities law compliance and corporate governance matters, including ongoing advice to boards of directors and special committees as well as extensive transactional experience in all areas of corporate and securities law covering a large spectrum of industries, including technology, renewable energy, mining and financial services. Mr. De Luca is a member of the Law Society of Upper Canada and holds a Bachelor of Laws from Queens University, a Master of Laws from New York University and the ICD.D designation from the Institute of Corporate Directors.

**Tracy Graf** – Director, age 57

Mr. Graf has been the Chief Executive Officer and President of Carfinco Financial Group Inc. ("**Carfinco**") since October 30, 1998. In March of 2015, Carfinco was acquired by Madrid-based Banco Santander, S.A. Mr. Graf continues in his role as President, Chief Executive Officer and Director of Carfinco. Mr. Graf is responsible for all aspects of Carfinco's business, ranging from overall strategy to day-to-day business operations. Mr. Graf also served as a Director of Less Mess Storage Inc. and as a Director and Chairman of the Board of Trakopolis IoT Corp. ("**Trakopolis**"). Mr. Graf is currently a Director of Aurora Spine Corporation.

### **New Slate**

The following sets forth the name of each of the members of the New Slate, and each such nominee's principal occupation, business or employment, the period of time during which each has been a director of the Corporation, as applicable, the number of Common Shares beneficially

owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof:

<b>Name, Municipality of Residence and Position with the Corporation</b>	<b>Director or Officer Since</b>	<b>Number of Common Shares Owned</b>	<b>Principal Occupation</b>
Bruce Bragnolo Vancouver, B.C. Chief Executive Officer and Director	June 3, 2020	8,500,000	President and Chief Executive Officer of Alliant; Executive Chairman of Pharmex Life Sciences Inc.;
Francisco Manuel Cordova Celaya Culiacan, Sinaloa, Mexico President and Director	November 10, 2020	250,000	President of Pharmex Life Sciences Inc.
Mike Petrina Iroquois Falls, ON, Canada Director	November 10, 2020	250,000	Principal Mining Engineer with Moose Mountain Technical
Jesus Gutierrez Marana, Arizona, USA Director	November 10, 2020	250,000	Vice President of Corporate Affairs and Country Manager of Argonaut Gold Mexico.
Thomas F. Fudge Jr. Grand Junction, CO, USA Director	November 10, 2020	250,000	Retired
Leslie L. Kapusianyk Vancouver, B.C., Canada Director	November 10, 2020	250,000	Corporate Secretary of Magna Gold Corp.

The following are brief biographies of each of the proposed members of the New Slate:

**Bruce Bragnolo** – Director and CEO, age 63

Mr. Bragnolo is the co-founder and past CEO of both Timmins Gold Corp., a company listed on the NYSE-MKT and TSX and Silvermex Resources Ltd. Mr. Bragnolo is currently the Executive Chairman of Pharmex Life Sciences Inc., Executive Chairman of Regency Silver Corp., and the CEO of Great Southern Gold Corp., all of which are private companies. He was the CEO of CobaltTech Mining Inc., a company formerly listed on the TSXV which completed a merger with First Cobalt Corp., in December 2017.

**Francisco Manuel Cordova Celaya** – Director and President, age 56

Mr. Cordova has had an extensive career in the Mexican government over the last 22 years. He has acted as the Coordinator of Special Projects and Foreign Relations, the Secretary of Security as well as the Secretary of Tourism for the State of Sinaloa. He has also acted as the Secretary of

Agrarian Reform for the Mexican Federal Government. Mr. Cordova has been a director of several private, public international and Mexican companies including Timmins Gold Corp., a Mexican gold producer. Mr. Cordova is the President of Pharmex Life Sciences Inc., a private company. He received his doctorate in law from the Arizona State University in 1992.

**Mike Petrina** – Director, age 61

Mr. Petrina is a mining engineer with 30 years of expertise in operations, engineering and project development. He is currently the Principal Mining Engineer with Moose Mountain Technical Services and has previously held Vice President roles with Probe Mines Ltd., MAG Silver Corp., Adriana Resources Ltd. and Hawthorne Gold. Corp. Mr. Petrina is fluent in English and Spanish. He has previously held Vice President roles with Probe Mines Ltd., MAG Silver Corp. and Hawthorne Gold. Corp.

**Jesus Gutierrez** – Director, age 69

Mr. Gutierrez is a mining executive with 47 years of experience in all aspects of operations including government and community relations. He is currently the Vice President of Corporate Affairs & Country Manager of Argonaut Gold Mexico. Mr. Gutierrez was the Vice President of Operations of Argonaut Gold Mexico from 2018 to the end of 2019. He was the Vice President and General Manager of Goldcorp's Penasquito from 2012 to 2015. He was the Director General of Frontera Copper's Cobre del Mayo Mine from 2005 to 2011. He holds a B.S. in Chemical Engineering and Management from Instituto Tecnológico de Monterrey.

**Thomas F. Fudge Jr.** – Director, age 65

Mr. Fudge has over 40 years of professional mining experience in a variety of commodities, with over 20 years focused on gold, silver, lead and zinc. He was the Vice President Operations of Tahoe Resources Inc. from 2016 to 2019. He was the Vice President Operations – Guatemala, Mine General Manager, El Escobal and Assistant General Manager, Escobal Project for Minera San Rafael from 2012 to 2016. He was also the Vice President Engineering and Development and the Senior Vice President Engineering and Corporate Development of Alexco Resource Corp. from 2009 to 2012. Mr. Fudge was a mining consultant from 2008 to 2009 wherein he provided property evaluation, mine design and project management services to a variety of clients. Mr. Fudge has a Bachelors of Science degree in Mining Engineering from Michigan Technological University and has been responsible for major mine construction projects in the United States, Mexico, Venezuela, Yukon Territory, Guatemala and Peru.

**Leslie L. Kapusiany** – Director, age 58

Ms. Kapusiany is a lawyer with over 30 years experience in the areas of securities, corporate finance and corporate law. She is the Corporate Secretary of Magna Gold Corp. She was the Corporate Secretary and general counsel for Timmins Gold Corp. from 2007 to 2017 and then for Alio Gold Inc. (formerly known as Timmins Gold Corp.) from 2019 to 2020. Prior to joining Timmins Gold Corp., Ms. Kapusiany advised clients, particularly in the mining industry, on initial and subsequent public offerings, stock exchange listings, reverse takeovers, continuous disclosure

obligations, corporate governance, corporate structuring and re-structuring and ongoing public company compliance.

#### Other Reporting Issuer Experience

The following table sets out the names of the members of the New Slate) that are directors of other issuers that are reporting issuers (or the equivalent) in Canada or a foreign jurisdiction, the name of such reporting issuers and the name of the exchange or market applicable to such reporting issuers.

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)	Position	Term
Bruce Bragagnolo	Inca One Gold Corp.	TSXV	Director and Executive Chairman	August 2016 to present
	AsiaBase Metals Inc.	TSXV	Director	October 2017 to present
	CobalTech Mining Inc.	TSXV	Director and CEO	December 2016 to December 2017
	Timmins Gold Corp.	TSX	Director and CEO	June 2006 to October 2015
Thomas F. Fudge Jr.	Venzee Technologies Inc.	TSXV	Director	January 2007 to September 2008
Jesus Gutierrez	Goldcorp Inc.	TSX	Director	February 2015 to July 2015
	Red Tiger Mining Inc.	TSXV	Director	October 10, 2015 to present

#### Corporate Cease Trade Orders and Bankruptcies

Other than as set out below, to the knowledge of the Corporation and based upon information provided to it by the nominees, within 10 years before the date of this Information Circular, no nominee of the Current Slate or the New Slate was a director, chief executive officer or chief financial officer of any company (including the Corporation) that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer, or was subject to an order that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the nominee was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the foregoing paragraph, "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

Tracy Graf was a Director and Chairman of the Board of Trakopolis between October, 2016 and January, 2020. On November 7, 2019, Trakopolis filed a Notice of Intention to Make a Proposal pursuant to the provisions of the *Bankruptcy and Insolvency Act* ("**BIA**") and became subject to proceedings under the BIA in the Court of Queen's Bench of Alberta. Trakopolis was deemed to have filed an assignment into bankruptcy on January 27, 2020. Mr. Graf resigned as a Director of Trakopolis on January 27, 2020.

Other than as set out herein, to the knowledge of the Corporation and based upon information provided to it by the nominees, no nominee of the Current Slate or the New Slate is or within 10 years prior to the date of this Information Circular was, a director or executive officer of any company (including the Corporation) that, while the nominee 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.

#### Personal Bankruptcies

To the knowledge of the Corporation and based upon information provided to it by the nominees, no nominee of the Current Slate or the New Slate within 10 years prior to the date of this Information Circular has 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 such nominee's assets.

#### Penalties or Sanctions

To the knowledge of the Corporation and based upon information provided to it by the nominees, no nominee of the Current Slate or the New Slate, or any shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) 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 investor in making an investment decision.

Director Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, the following ordinary resolution:

**"BE IT RESOLVED THAT:**

1. the setting of the number of directors of the Corporation at four (4) is hereby authorized and approved;
2. the election of David Rosenkrantz, Ilana Prussky, Paul De Luca, and Tracy Graf as directors of the Corporation to hold office until the earlier of:
  - (a) the next annual meeting of the shareholders of the Corporation or until their successors are elected or appointed; or
  - (b) the date on which the Transaction (as defined in the management information circular of the Corporation dated November 13, 2020 for use in connection with the annual and special meeting of shareholders scheduled to be held on December 14, 2020) is completed (the "**Effective Date**"), at which time the directors shall be removed as directors of the Corporation,is hereby approved; and
3. subject to and conditional upon completion of the Transaction:
  - (a) the election of Bruce Bragagnolo, Francisco Manuel Cordova Celaya, Mike Petrina, Jesus Gutierrez, Thomas F. Fudge Jr., and Leslie L. Kapusianyk as directors of the Corporation to hold office from the Effective Time until the next annual meeting of the shareholders, or until their successors are elected or appointed, is hereby approved."

**In order to be passed, the Director Resolution requires the approval of a majority of the votes cast thereon by shareholders of the Corporation present in person or represented by proxy at the Meeting.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE DIRECTOR RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Director Resolution.**

**Appointment of Auditors**

A firm of auditors is to be appointed by vote of the shareholders at the Meeting to serve as auditors of the Corporation until the close of the next annual meeting. The Board, upon the recommendation

of the Audit Committee, proposes that MNP LLP be re-appointed as auditors of the Corporation and that the directors of the Corporation be authorized to determine their compensation. MNP LLP have acted as auditors of the Corporation since its incorporation. Upon completion of the Transaction, it is expected that MNP LLP will continue as auditors of the Corporation.

**Unless instructed to abstain from voting with regard to the appointment of auditors, the persons whose names appear on the enclosed forms of proxy will vote in favor of: (i) the re-appointment of MNP LLP as auditors of the Corporation; and (ii) authorizing the directors of the Corporation to determine the compensation of MNP LLP in such capacity (the "Auditor Appointment Resolution").**

**In order to be passed, the Auditor Appointment Resolution requires the approval of a majority of the votes cast thereon by shareholders of the Corporation present in person or represented by proxy at the Meeting is required.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE AUDITOR RE-APPOINTMENT RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Auditor Appointment Resolution.**

#### **Continuance under the *Business Corporations Act* (British Columbia)**

##### Continuance

Shareholders of the Corporation will be asked at the Meeting to consider and, if thought advisable, pass, with or without variation, the Continuance Resolution, authorizing the Board, in its sole discretion, to make an application by the Corporation to the Ontario Ministry of Government and Consumer Services (the "**Ministry**") for authorization for the Corporation to continue from the Province of Ontario into the Province of British Columbia (the "**Continuance**"), irrespective of whether the Transaction is completed, and to file with the Registrar of Companies under the BCBCA (the "**BC Registrar**") an application for the Continuance (the "**Continuance Application**").

The Continuance Resolution, if passed, will also approve: (i) the adoption by the Corporation upon Continuance of articles under the BCBCA in the form attached hereto as Schedule "A" (the "**BC Articles**"); (ii) the inclusion with the Continuance Application of a notice of articles under the BCBCA reflecting the information that will apply to the Corporation upon Continuance (the "**Notice of Articles**"); and (iii) concurrently with and conditionally upon the Continuance, the repeal and replacement, by the BC Articles and Notice of Articles, of the Corporation's present articles and by-laws under the OBCA, to (a) make all changes necessary to conform to the BCBCA, and (b) change the name of the Corporation to "Aurea Mining Inc." or such other name as the directors of the Corporation, in their sole discretion, may determine, and as may be accepted by the BC Registrar

The Continuance, if approved, will change the legal domicile of the Corporation and will affect certain of the rights of shareholders as they currently exist under the OBCA. This summary is not

intended to be exhaustive. Accordingly, shareholders should consult their legal advisors regarding implications of the Continuance which may be of particular importance to them.

#### *Constating Documents*

A British Columbia company's charter documents consist of its "notice of articles" and "articles" and any amendments thereto. Upon the completion of the Continuance, the Corporation will cease to be governed by the OBCA and thereafter, the BCBCA will apply to the Corporation to the same extent as if it had been incorporated under the BCBCA. As part of the Continuance, shareholders of the Corporation will be asked to approve the adoption of the BC Articles which comply with the requirements of the BCBCA, a copy of which is attached hereto as Schedule "A".

#### *Prerequisites for Continuance*

Under the OBCA, the Corporation may not apply to become a company under the laws of the Province of British Columbia unless those laws provide in effect that:

- (a) the property of the Corporation continues to be the property of the Corporation after the Continuance;
- (b) the Corporation after the Continuance continues to be liable for the obligations of the Corporation before the Continuance;
- (c) an existing cause of action, claim or liability to prosecution is unaffected;
- (d) a civil, criminal or administrative act or proceeding pending by or against the Corporation may be continued to be prosecuted by or against the Corporation after the Continuance; and
- (e) a conviction against, or a ruling, order or judgment in favor of or against the Corporation may be enforced by or against the Corporation after the Continuance.

The laws of the Province of British Columbia include such provisions.

#### *Procedures in British Columbia for the Continuance*

In order for the Continuance to become effective:

- (a) the shareholders of the Corporation must authorize by special resolution: (i) the Continuance Application by the Corporation to the BC Registrar, requesting that the Corporation be continued into British Columbia as a British Columbia company; and (ii) the application by the Corporation to the Ministry for authorization of the Continuance;
- (b) the Corporation must apply to the Ministry for authorization of the proposed Continuance, including filing an Application for Authorization to Continue in Another Jurisdiction (Form 7) (the "**Application for Authorization**");

- (c) the Corporation must obtain consent letters to apply to continue outside Ontario from each of the Minister of Finance and the Ontario Securities Commission (the "**OSC**");
- (d) the Corporation must apply to the BC Registrar to reserve the name "Aurea Mining Inc.", which name is proposed to be used by the Corporation after the Continuance;
- (e) the Corporation must file a Continuance Application (including a Notice of Articles reflecting the information that will apply to the Corporation upon Continuance) and all such other records and information as the BC Registrar may require;
- (f) the BC Registrar, if the Continuance Application is satisfactory, will issue a certificate of continuation under the BCBCA (the "**Certificate of Continuance**");
- (g) the Corporation must file the Certificate of Continuance (once issued by the BC Registrar) with the Ministry, which will publish a notice that the Corporation has been continued into another jurisdiction; and
- (h) the Corporation will cease to be a corporation within the meaning of the OBCA when the Corporation is continued into the Province of British Columbia.

#### *Effect of Continuance*

Assuming that the special resolution approving the Continuance (the "**Continuance Resolution**") is approved by the shareholders at the Meeting, it is expected that the Application for Authorization will be filed with the Ministry and the procedures outlined above will begin as soon as practicable thereafter, as determined by the Board in its sole discretion, in order to give effect to the Continuance.

The Continuance, if approved, will effect a change in the legal domicile of the Corporation on the effective date thereof to the Province of British Columbia. Upon issuance of a Certificate of Continuance for the Corporation under the BCBCA, the Corporation will cease to be a corporation governed by the OBCA and will become a company governed by the BCBCA. The Continuance will not create a new legal entity and will not prejudice or affect the continuity of the Corporation. The Continuance will not result in any change in the business of the Corporation.

Subject to obtaining the requisite approval of shareholders at the Meeting, the directors and officers of the Corporation immediately following the Continuance will be identical to the current directors and officers of the Corporation. As of the effective date of the Continuance, the election, duties, resignations and removal of the Corporation's directors and officers shall be governed by the BCBCA and the Corporation will no longer be subject to the corporate governance provisions of the OBCA.

By operation of law applicable under the laws of the Province of British Columbia, as of the effective date of the Continuance, all of the property, rights, interests and obligations of the Corporation immediately prior to the Continuance will continue to be the property, rights, interests and obligations of the Corporation after the Continuance. An existing cause of action, claim or

liability to prosecution of the Corporation will be unaffected; a legal proceeding being prosecuted or pending by or against the Corporation may be prosecuted or continued to be prosecuted by or against the Corporation; and a conviction against, or a ruling, order or judgment in favor of or against the Corporation may be enforced by or against the continued Corporation.

#### *Reason for Continuance*

The Board believes it is desirable for the Corporation to continue its corporate existence under the laws of the Province of British Columbia for several reasons, among which is the fact that, unlike the OBCA, the BCBCA has no requirement that directors of a British Columbia company be residents of Canada. The Corporation intends to complete the Continuance even if the Transaction is not completed. Management has therefore determined that it is appropriate to place before the Meeting a special resolution to approve the discontinuance of the Corporation from the Province of Ontario and to continue the Corporation into the Province of British Columbia pursuant to the BCBCA.

#### Certain Corporate Differences between the OBCA and the BCBCA

The following is a summary only of certain differences between the BCBCA, the statute that will govern the corporate affairs of the Corporation upon the Continuance, and the OBCA, the statute which currently governs the corporate affairs of the Corporation. This summary is not exhaustive and shareholders are advised to review the full text of the BCBCA and consult their legal advisors regarding the implications of the Continuance.

If the Continuance is approved, shareholders will hold securities in a company governed by the BCBCA. This Information Circular summarizes some of the differences that could materially affect the rights and obligations of shareholders after giving effect to the Continuance. In exercising their vote, shareholders should consider the distinctions between the BCBCA and the OBCA, only some of which are outlined below.

As the Corporation is a reporting issuer in Ontario, as principal regulator, and British Columbia, the Corporation will continue to be bound by the rules and policies of such jurisdictions, the TSXV and any other applicable securities legislation.

**Nothing that follows should be construed as legal advice to any particular shareholder, all of whom are advised to consult their own legal advisors respecting all of the implications of the Continuance.**

#### *Sale of the Corporation's Undertaking*

The OBCA requires approval of the holders of two-thirds of the shares of a corporation represented at a duly called meeting to approve a sale, lease or exchange of all or substantially all of the property of a corporation, other than in the ordinary course of business. If a sale, lease or exchange of all or substantially all of the property of a corporation would affect a particular class or series of shares in a manner that is different than the shares of another class or series entitled to vote, then such

class or series of shares are entitled to a separate class or series vote, regardless of whether or not such shares otherwise carry the right to vote.

Under the BCBCA, the directors of a company may sell, lease or otherwise dispose of all or substantially all of the undertaking of the company only if: (i) if it does so in the ordinary course of the company's business; or (ii) it has been authorized to do so by special resolution of the shareholders. Under the BCBCA a special resolution requires the approval of a "special majority", which means the majority specified in a company's articles, which must be at least two-thirds and not more than three-quarters of the votes cast on the resolution.

#### *Amendments to the Articles of a Corporation*

Under the OBCA, amendments to the articles of a corporation require a resolution passed by not less than 2/3 of the votes cast by the shareholders voting on the resolution authorizing the amendments and, where certain specified rights of the holders of a class or series of shares are affected differently by the amendments than the rights of the holders of other classes or series of shares, such holders are entitled to vote separately as a class or series, whether or not such class or series of shares otherwise carry the right to vote. A resolution to amalgamate an OBCA corporation requires a special resolution passed by the holders of each class or series of shares, whether or not such shares otherwise carry the right to vote, if such class or series of shares are affected differently.

The requirements for alterations to the articles of a company under the BCBCA depend upon the type of resolution specified as necessary in the company's articles, which, for many alterations, including a change of name, can be by a resolution of the directors. In the absence of a lesser requirement in the articles, most corporate alterations will require a special resolution, which is a resolution passed by a majority of at least 2/3 and not more than 3/4 of the votes cast, depending on the majority specified in the articles. Alteration of the special rights and restrictions attached to issued shares requires, subject to the type of resolution specified in the company's articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuation of a company out of British Columbia requires a special resolution of the shareholders.

#### *Rights of Dissent and Appraisal*

The OBCA provides that shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholders at the fair value of such shares. This dissent right is available when a corporation proposes to: (a) amend its articles to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class; (b) amend its articles to add, change or remove any restrictions on the business or businesses that the corporation may carry on; (c) amend its articles to add or remove an express statement establishing the unlimited liability of shareholders; (d) amalgamate with another corporation pursuant to certain statutory provisions; (e) be continued under the laws of another jurisdiction; or (f) sell, lease or exchange all or substantially all its property. **The BCBCA contains a similar dissent remedy, although the procedure for exercising this remedy is different from that contained in the OBCA.**

Similarly, the BCBCA provides shareholders of a British Columbia company with a dissent remedy, regardless of whether the shareholders' shares carry the right to vote, where a company

proposes to: (a) alter its articles to alter restrictions on the powers of the company or on the business it is permitted to carry on; (b) adopt an amalgamation agreement; (c) approve an amalgamation with a foreign corporation; (d) approve an arrangement, the terms of which arrangement permit dissent; (e) authorize or ratify the sale, lease or other disposition of all or substantially all of the company's property; and (f) authorize the continuation of the company into a jurisdiction other than British Columbia. Under the BCBCA, the dissent right is also applicable to any other resolution, if dissent is authorized by the resolution, or under any court order that permits dissent.

#### *Shareholder Derivative Actions*

Under the BCBCA, a shareholder, defined as including a beneficial shareholder and any other person whom the court considers to be an appropriate person to make an application under the BCBCA, or a director of a company, may, with leave of the court, prosecute a civil, criminal, quasi-criminal, administrative or regulatory action or proceeding in the name and on behalf of the company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself, or to obtain damages for any breach of such a right, duty or obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a company, in the name of and on behalf of the company.

**The OBCA contains similar provisions for derivative actions but the right to bring a derivative action is available to a broader group.** In addition to shareholders and directors, the right under the OBCA is available to former shareholders, former directors, officers, former officers, any affiliate of the foregoing, and any person who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action.

#### *Oppression Remedies*

Under the OBCA a registered shareholder, beneficial shareholder, former registered shareholder or beneficial shareholder, director, former director, officer, former officer of a corporation or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of an offering corporation, the OSC, may apply to a court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates: (a) any act or omission of a corporation or its affiliates effects or threatens to effect a result; (b) the business or affairs of a corporation or its affiliates are or have been or are threatened to be carried on or conducted in a manner; or (c) the powers of the directors of the corporation or any of its affiliates are, have been or are threatened to be exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director or officer. **The OBCA contains rights that are substantially broader than the BCBCA in that they are available to a larger class of complainants.**

The oppression remedy under the BCBCA is similar to the remedy found in the OBCA, with a few differences. Under the OBCA, the applicant can complain not only about acts of the corporation and its directors but also acts of an affiliate of the corporation and the affiliate's directors, whereas under the BCBCA, registered and beneficial shareholders, and any other person whom the court considers appropriate, can only complain that the affairs of the company are or have been conducted, or that the powers of the directors are being or have been exercised, in a manner that is oppressive to one or more of the shareholders. In addition, under the BCBCA the applicant must bring the application in a timely manner, which is not required under the OBCA.

### *Requisition of Meetings*

The OBCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

The BCBCA provides that one or more shareholders of a company holding not less than 5% of the issued shares of the company that carry the right to vote at a general meeting may give notice to the directors requiring them to call and hold a general meeting of shareholders to transact the business stated in the notice within 4 months of the date of receipt of the notice.

### *Place of Meetings*

The OBCA provides that, subject to the articles and any unanimous shareholder agreement, meetings of shareholders may be held either inside or outside Ontario as the directors may determine.

The BCBCA requires all meetings of shareholders to be held in British Columbia unless a location outside the Province of British Columbia is provided for in the articles, approved by the type of resolution specified in the articles before the meeting, or approved in writing by the BC Registrar.

### *Directors*

The OBCA requires that at least 25% of directors of a corporation be resident Canadians and requires that for offering corporations not fewer than three individuals be elected and at least one-third of the directors not be officers or employees of the corporation or its affiliates.

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

### *Requisite Approvals*

Under the BCBCA, a company can establish in its articles the levels for various shareholder approvals, other than those levels that are prescribed by the BCBCA. The majority of votes required for a special resolution can be specified in the articles of a company, and may be no less than 2/3 and no more than 3/4 of the votes cast.

The OBCA does not provide flexibility with respect to the level of shareholder approval required for ordinary resolutions and special resolutions. Under the OBCA, an ordinary resolution must be passed by no less than a majority of the votes cast by shareholders entitled to vote with respect to the resolution and a special resolution must be passed by not less than two-thirds of the votes cast by the shareholders entitled to vote with respect to the resolution.

### Articles of the Corporation

The Continuance Resolution, if approved, will adopt a Notice of Articles and BC Articles for the Corporation which will effect the repeal and replacement of the Corporation's present articles and by-laws under the OBCA to:

- (a) make all changes necessary to conform to the BCBCA; and
- (b) change the name of the Corporation to "Aurea Mining Inc." or such other name as the directors of the Corporation, in their sole discretion, may determine, and as may be accepted by the BC Registrar.

The BC Articles proposed to be adopted by the Corporation upon the Continuance are set out in Schedule "A" to this Information Circular.

### Shareholders' Right to Dissent with Respect to the Continuance Resolution

Under Section 185 of the OBCA, a registered shareholder of the Corporation may dissent with respect to the Continuance Resolution. If the Continuance Resolution is adopted and the Continuance, and the adoption of the Notice of Articles and BC Articles for the Corporation which will effect the repeal and replacement of the Corporation's present articles are completed, a dissenting shareholder who strictly complies with the procedures set out in the OBCA will be entitled to be paid the fair value of his, her or its shares, determined as of the close of business on the day before the Continuance Resolution is adopted, in connection with which his, her or its right to dissent was exercised. Registered shareholders who wish to exercise dissent rights should seek legal advice, as failure to adhere strictly to the requirements set out in the OBCA may result in the loss or unavailability of any right to dissent. A summary of the dissent rights available to shareholders are set out in Schedule "B" to this Information Circular.

Registered shareholders who intend to exercise dissent rights should carefully consider and comply with the provisions of Section 185 of the OBCA, which are set out in Schedule "B" to this Information Circular. Failure to comply with the provisions of that section and to adhere to the procedures established therein may result in the loss of all rights thereunder.

### Continuance Resolution

It is a condition precedent to the completion of the Transaction that the shareholders approve the Continuance Resolution. If the Continuance Resolution does not receive the requisite approval, the Transaction will not proceed, unless such condition precedent is waived in accordance with the terms of the Amalgamation Agreement. If the Transaction does not proceed, the Corporation nonetheless intends to proceed with the Continuance if the Continuance Resolution is approved.

The text of the Continuance Resolution to be voted on at the Meeting by the shareholders of the Corporation is set forth below:

#### **"BE IT RESOLVED THAT:**

1. the board of directors of the Corporation is hereby authorized to:

- (a) make application to the Ministry of Government and Consumer Services for the Province of Ontario under Section 181 of the *Business Corporations Act* (Ontario) (the "**OBCA**") for authorization for the Corporation to apply to the Registrar of Companies (the "**BC Registrar**") under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") for continuance (the "**Continuance**") of the Corporation into the Province of British Columbia (the "**Continuance Application**") and to obtain such other consents as may be required in connection therewith, including, without limitation, from the Minister of Finance of Ontario and the Ontario Securities Commission;
  - (b) prepare and include with the Continuance Application a notice of articles (the "**Notice of Articles**") under the BCBCA which will reflect the information which will apply to the Corporation upon Continuance; and
  - (c) subject to receipt of consent letters to apply to continue outside of Ontario from each of the Minister of Finance of Ontario and the Ontario Securities Commission, file the Continuance Application with the BC Registrar, and provide all such other records and information to the BC Registrar in connection with the Continuance as the BC Registrar may require;
2. concurrently with, and subject to the completion of, the Continuance:
- (a) the articles (the "**BC Articles**") in the form attached hereto as Schedule "A" are adopted as the new Articles of the Corporation;
  - (b) any one director of the Corporation is hereby authorized and directed to sign the BC Articles; and
  - (c) the Corporation's present articles of amendment and by-laws are repealed and replaced by the BC Articles and the Notice of Articles to:
    - (i) make all changes necessary to conform to the BCBCA; and
    - (ii) change the name of the Corporation to "Aurea Mining Inc." or such other name as the directors of the Corporation, in their sole discretion, may determine, and as may be accepted by the BC Registrar.
3. any director or officer of the Corporation is hereby individually authorized and directed for and on behalf of the Corporation to do all further acts and things, and to execute under the seal of the Corporation or otherwise, and deliver all such documents, instruments and writings as may be necessary or desirable in order to give effect to this special resolution;
4. notwithstanding the approval of the shareholders of the Corporation as herein provided, the board of directors of the Corporation may, in its sole discretion, revoke this special resolution before it is acted upon, without further approval of the shareholders; and
5. any one or more directors or officers are hereby authorized, upon the board of directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and

to execute and deliver and file any and all applications, declarations, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution."

The Board believes that the Continuance is in the best interests of the Corporation and therefore unanimously recommends that shareholders vote in favor of the Continuance Resolution. **The Board may, in its sole discretion, decide not to act on the Continuance Resolution.**

**In order to be passed, the Continuance Resolution requires the approval of two-thirds (66⅔%) of the votes cast thereon by shareholders of the Corporation present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE CONTINUANCE RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Continuance Resolution.**

#### **Approval of Name Change**

The name "**Pinehurst Capital II Inc.**" was chosen by the incorporators of the Corporation for use while the Corporation is a Capital Pool Company. Upon the completion of the Transaction, it is intended that the business of Alliant, as currently contemplated to be constituted, will be the business of the Resulting Issuer. **In connection therewith, the Corporation intends to change its name to "Aurea Mining Inc."** or such other name as determined by the Board, in its sole discretion, and as may be accepted by the applicable regulatory authorities (the "**Name Change**"). Management of the Corporation feels that the Name Change is in the best interests of the Corporation in order to reflect the change in its business activities.

#### Name Change Resolution

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, a special resolution to change the Corporation's name to "Aurea Mining Inc." in connection with the Transaction (the "**Name Change Resolution**"). The Name Change is required in order to complete the Transaction and if approved will be given effect prior to the completion of the Transaction. If the shareholders do not approve the Name Change Resolution, the Transaction may not proceed.

The text of the Name Change Resolution reads as follows:

#### **"BE IT RESOLVED THAT:**

1. The Corporation is hereby authorized to amend its articles to change the Corporation's name to "**Aurea Mining Inc.**" or such other name as the board of directors of the Corporation may determine, acting in the interests of the Corporation, or as required by applicable regulatory authorities, and provided that the board of directors of the Corporation may, in its sole discretion, revoke this special resolution before it is acted upon without further approval of the shareholders of the Corporation.

2. Any one (or more) director(s) or officer(s) of the Corporation be and is hereby authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this resolution."

**In order to be passed, the Name Change Resolution requires the approval of two-thirds (66⅔%) of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

Even if approved by the shareholders, the Board may determine not to proceed with the Name Change at its discretion.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE NAME CHANGE RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Name Change Resolution.**

### **Share Consolidation**

In connection with the proposed Transaction and subject to obtaining all regulatory approvals, the Corporation proposes to consolidate the issued and outstanding Common Shares (the "**Consolidation**"). The consolidation ratio of the Common Shares shall be on the basis of one (1) post-Consolidation Common Share for two (2) pre-Consolidation Common Shares, or such other ratio as may be jointly determined by the Corporation and Alliant and accepted by the TSXV (the "**Consolidation Ratio**").

If approved and implemented, the Consolidation will occur simultaneously for all of the Corporation's issued and outstanding Common Shares and will occur prior to the completion of the Transaction. The Consolidation Ratio will be the same for all Common Shares and will affect all holders of Common Shares uniformly and will not affect any shareholder's percentage ownership interest in the Corporation, except to the extent that the Consolidation would otherwise result in any shareholder owning a fractional Common Share.

No fractional Common Shares shall be issued pursuant to the Consolidation. In the event that the Consolidation would result in a shareholder being entitled to a fractional common share, then such fractional common share shall be rounded down to the nearest whole number. In calculating such fractional interest, all Common Shares registered in the name of a holder of Common Shares or an intermediary shall be aggregated.

Furthermore, each stock option, warrant or other security of the Corporation convertible into pre-consolidation Common Share that has not been exercised or cancelled prior to the effective date of the implementation of the Consolidation will be adjusted pursuant to the terms thereof on the same exchange ratio described above and each holder of such pre-Consolidation convertible securities will become entitled to receive post-Consolidation Common Shares pursuant to such adjusted terms.

Shareholders of the Corporation are specifically advised that the proposed consolidation resolution (the "**Consolidation Resolution**") grants the Board the discretion to revoke the Consolidation

Resolution and not proceed with the Consolidation without further approval of the shareholders. If approved by the shareholders, the Board, in its discretion, if at all, shall make the decision with respect to the timing of the Consolidation.

There can be no assurance that the market price of the post-Consolidation Common Shares will increase as a result of the Consolidation. The marketability and trading liquidity of the post-Consolidation Common Shares may not improve. The Consolidation may result in some shareholders owning "odd lots" of Common Shares which may be more difficult for such shareholders to sell or which may require greater transaction costs per share to sell.

### Consolidation Resolution

At the Meeting, shareholders of the Corporation will be asked to pass the Consolidation Resolution, amending the articles of incorporation of the Corporation, to reflect the consolidation of its current issued and outstanding Common Shares in accordance with the Consolidation Ratio, the text of which is set out below. The Consolidation is also subject to applicable regulatory approval, including the approval of the TSXV. If the holders of Common Shares do not approve the special resolution, the Transaction may not proceed.

#### **"BE IT RESOLVED THAT:**

1. In connection with the completion of the Corporation's Qualifying Transaction (as such term is defined in Policy 2.4 – *Capital Pool Companies* of the Corporate Finance Manual of the TSX Venture Exchange) with Alliant Gold Corp., the articles of incorporation of the Corporation be amended to consolidate all of the issued and outstanding common shares of the Corporation (the "**Common Shares**") on the basis of the Consolidation Ratio (as that term is defined in the management information circular of the Corporation dated November 13, 2020), with the final ratio to be determined jointly by the Corporation and Alliant.
2. Following such consolidation, holders of less than 1 Common Share immediately following the completion of the consolidation shall not be entitled to receive a fractional Common Share. In the event that the Consolidation would result in a shareholder being entitled to a fractional Common Share, then such fractional common share shall be rounded down to the next lowest whole number. In calculating such fractional interest, all Common Shares registered in the name of a holder of Common Shares or an intermediary shall be aggregated.
3. The number of Common Shares which the Corporation is authorized to issue shall remain unchanged at an unlimited number of Common Shares.
4. Any one director or officer of the Corporation is hereby authorized, for and on behalf of the Corporation, to execute or cause to be executed, and to deliver or cause to be delivered, all such documents and filings, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of these resolutions, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.

5. The Board is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the above resolutions without further approval, ratification or confirmation by the shareholders.
6. Upon the date determined by the board of directors, these resolutions described herein shall be deposited at the Corporation's records office."

**In order to be passed, the Consolidation Resolution requires the approval of two-thirds (66 $\frac{2}{3}$ %) of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

Even if approved by the shareholders, the Board may determine not to proceed with the Consolidation at its discretion.

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE CONSOLIDATION RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Consolidation Resolution.**

### **Omnibus Equity Incentive Plan**

Following the completion of the Transaction, and subject to the approval of the applicable securities exchange and the shareholders, it is intended that the Resulting Issuer will adopt an omnibus equity incentive plan, the principal features of which are summarized below (the "**Omnibus Plan**").

Below is a summary of the Omnibus Plan, which is qualified in its entirety by the full text of the Omnibus Plan, which is attached hereto as Schedule "C" hereto.

#### *Purpose*

The purposes of the Omnibus Plan are to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants (as defined in the Omnibus Plan) with that of other shareholders of the Corporation generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Corporation through the acquisition of Common Shares as long-term investments.

#### *Administration of the Omnibus Plan*

The Omnibus Plan will be administered by the Board or, from time to time, a committee thereof, and will provide that the Board may from time to time, in its discretion, and in accordance with TSXV requirements, grant to eligible Participants, non-transferable awards (the "**Awards**"). Such Awards include options ("**Options**"), restricted stock unit ("**RSUs**"), share appreciation rights ("**SARs**"), deferred share unit ("**DSUs**") and performance share unit ("**PSUs**").

#### *Maximum Number of Common Shares Available for Awards*

The number of Common Shares reserved for issuance pursuant to Options granted under the Omnibus Plan will not, in the aggregate, exceed 10% of the then outstanding Common Shares. In addition, the maximum number of Common Shares issuable pursuant to SARs, RSUs, DSUs and PSUs issued under

the Omnibus Plan shall not exceed a fixed number determined in accordance with the policies of the TSXV.

The maximum number of Common Shares for which Awards may be issued to any one Participant (as defined in the Omnibus Plan) in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless disinterested shareholder approval as required by the policies of the TSXV is obtained, or 2% in the case of a grant of Awards to any consultant or persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV). No awards other than Options may be issued to any consultants or persons retained to provide Investor Relations Activities. Further, unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Corporation (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards granted to insiders of the Corporation (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares.

#### *Eligibility*

Awards under the Omnibus Plan will be granted only to bona fide employees, officers, non-employee directors and consultants of the Corporation. The extent to which any such individual is entitled to receive a grant of an Award pursuant to the Omnibus Plan will be determined in the discretion of the Board.

#### *Types of Awards*

The following is a summary of the various types of Awards issuable under the Omnibus Plan.

#### *Options*

Subject to any requirements of the TSXV, the Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a Black Out Period (as defined in the Omnibus Plan), Options may be exercised for a period of up to ten years after the grant date, provided that: (i) upon a Participant's termination for Cause (as defined in the Omnibus Plan), all Options, whether vested or not as at the Termination Date (as defined in the Omnibus Plan) will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the Omnibus Plan and be exercisable for a period of 90 days after the Termination Date; (iii) in the case of the Disability (as defined in the Omnibus Plan) of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the Option Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such Options, to determine whether to accelerate the vesting of such Options, cancel such Options with or without payment and determine how long, if at all, such Options may remain outstanding following the Termination Date, provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Omnibus Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested Options shall automatically and immediately expire and be

forfeited as of the Termination Date, and all vested Options will continue to be subject to the Omnibus Plan and be exercisable for a period of 90 days after the Termination Date.

The exercise price of the Options will be determined by the Board at the time an Option is granted, provided that in no event will such exercise price be lower than the last closing price of the Common Shares on the TSXV less any discount permitted by the rules or policies of the TSXV at the time the Option is granted. Subject to any vesting restrictions imposed by the TSXV, or as may otherwise be determined by the Board at the time of grant (or with respect to vesting provisions contained in options to purchase Common Shares granted under the Predecessor Plan (as defined in the Omnibus Plan)), Options shall vest equally over a four-year period such that  $\frac{1}{4}$  of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.

#### *Restricted Share Units*

Subject to any requirements of the TSXV, the Board may determine the expiry date of each RSU. Subject to a limited extension if an RSU expires during a Black Out Period, RSUs may vest and be paid out for a period of up to three years after the grant date, provided that: (i) upon a Participant's termination for Cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out; (iii) in the case of the Disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Omnibus Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether to accelerate the vesting of such RSUs, cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Omnibus Plan, including a termination without Cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Omnibus Plan.

The number of RSUs to be issued to any Participant will be determined by the Board at the time of grant. Each RSU will entitle the holder to receive at the time of vesting for each RSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of RSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i)  $2\frac{1}{2}$  months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

Subject to any vesting restrictions imposed by the TSXV, or as may otherwise be determined by the Board at the time of grant, RSUs shall vest equally over a three-year period such that  $\frac{1}{3}$  of the RSUs shall vest on the first, second and third anniversary dates of the date that the RSUs were granted.

### *Share Appreciation Rights*

SARs may be issued together with Options or as standalone awards. Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Corporation in an amount representing the difference between the fair market value of the underlying Common Shares on the date of exercise over the grant price of the SAR. At the discretion of the Board, the payment upon the exercise of a SAR may be in cash, Common Shares of equivalent value, in some combination thereof, or in any other form approved by the Board in its sole discretion.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each SAR. Subject to a limited extension if a SAR expires during a Black Out Period, SARs will not be exercisable later than the tenth anniversary date of its grant.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of SARs upon a Participant ceasing to be eligible to participate in the Omnibus Plan.

### *Deferred Share Units*

The number and terms of DSUs to be issued to any Participant will be determined by the Board at the time of grant. Each DSU will entitle the holder to receive at the time of settlement for each DSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of DSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each DSU, provided that if a DSU would otherwise settle or expire during a Black Out Period, the Board may extend such date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the treatment of DSUs upon a Participant ceasing to be eligible to participate in the Omnibus Plan.

### *Performance Share Units*

The number and terms (including applicable performance criteria) of PSUs to be issued to any Participant will be determined by the Board at the time of grant. Each PSU will entitle the holder to receive at the time of settlement for each PSU held, either one Common Share or a cash payment equal to the fair market value of a Common Share or a combination of the two, at the election of the Board. In addition, the Board may determine that holders of PSUs be credited with consideration equivalent to dividends declared by the Board and paid on outstanding Common Shares.

Subject to any requirements of the TSXV, the Board may determine the vesting terms and expiry date of each PSU, provided that in no event will delivery of Common Shares or payment of any cash amounts be made later than the earlier of (i) 2<sup>1</sup>/<sub>2</sub> months after the close of the year in which the performance conditions or restrictions are satisfied or lapse, and (ii) December 31 of the third year following the year of the grant date.

Subject to compliance with the rules of the TSXV, the Board may determine, at the time of grant, the

treatment of PSUs upon a Participant ceasing to be eligible to participate in the Omnibus Plan.

*Termination and Change of Control Provisions*

On a Change of Control (as defined below and in the Omnibus Plan) of the Corporation, the Board shall have discretion as to the treatment of outstanding Awards, including whether to: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards (provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the TSXV is either obtained or not required); (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.

The Omnibus Plan defines a "**Change of Control**" as the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation as a result of which the holders of Common Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities (as defined in the Omnibus Plan) of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Corporation and/or any of its subsidiaries to any other person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Corporation and its subsidiaries;
- (c) a resolution is adopted to wind-up, dissolve or liquidate the Corporation;
- (d) an acquisition by any person or group of persons acting jointly or in concert of beneficial ownership of more than 50% of the Common Shares; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

Omnibus Plan Resolution

Shareholder approval of the current plan and the Omnibus Plan is required for certain purposes. In order to dispense with the need to call an additional meeting of the shareholders of the Resulting Issuer to approve the Omnibus Plan following completion of the Transaction, the shareholders will be asked at the Meeting to consider, and if deemed advisable, approve the following resolution (the "**Omnibus Plan Resolution**"):

**"BE IT RESOLVED THAT:**

1. Subject to and conditional upon completion of the Transaction, the omnibus equity incentive plan of the Corporation, and all unallocated awards issuable thereunder, are

hereby approved, subject to such changes thereto as may be required by the TSX Venture Exchange.

2. Any one director or officer of the Corporation be and is hereby authorized, for and on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

**In order to be passed, the Omnibus Plan Resolution requires the approval of a majority of the votes cast thereon by holders of Common Shares present in person or represented by proxy at the Meeting.**

**THE BOARD UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE OMNIBUS PLAN RESOLUTION. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Omnibus Plan Resolution.**

## **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

### **General**

Given the current prescribed nature of the Corporation and its principal business being limited to identifying and evaluating assets or businesses with a view to completing a Qualifying Transaction, prior to the completion of the Transaction the only committee of the Board will be the Audit Committee.

Following the completion of the Transaction, the Resulting Issuer will have an Audit Committee and a Corporate Governance Committee.

### **Audit Committee**

Under National Instrument 52-110 – *Audit Committees* ("**NI 52-110**"), the Corporation is required to include in this Information Circular the disclosure required under Form 52-110F2 with respect to the Audit Committee of the Board, including the composition of the Audit Committee, the text of the Audit Committee charter (attached hereto as Schedule "D"), and the fees paid to the external auditor.

The current members of the Audit Committee are David Rosenkrantz, Paul De Luca and Tracy Graf. Paul De Luca and Tracy Graf are independent members. David Rosenkrantz is not independent because he is an officer of the Corporation. As the Corporation is a "venture issuer" for the purposes of NI 52-110, the Corporation is exempt from the requirement to have the Audit Committee comprised entirely of independent members.

All of the current and proposed members of the Audit Committee are "financially literate" for the purposes of NI 52-110.

### Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate 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. Each member of the Audit Committee also has a significant understanding of the business in which the Corporation is engaged and has an appreciation for the relevant accounting principles used in the Corporation's business.

### Audit Committee Charter

The responsibilities and duties of the Audit Committee are set out in the committee's charter, the text of which is attached as Schedule "D" to this Information Circular.

### Audit Committee Oversight

At no time has a recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Board.

### Reliance on Certain Exemptions

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

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditor in the financial year ended December 31, 2019 are approximately as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
December 31, 2019	\$16,146.38	\$2,418.20	Nil	Nil

The Corporation is relying on the exemption provided in Section 6.1 of NI 52-110 as the Corporation is a "venture Issuer". As a result, the Corporation is exempt from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

### **Corporate Governance Committee**

Maintaining a high standard of corporate governance is a priority for the Board and the Corporation's management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Corporation's corporate governance practices, which addresses the matters set out in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101"), is set out below:

### Independence of Directors

The Board currently consists of seven (4) directors of which Paul De Luca and Tracy Graf are considered "independent", as such term is defined in NI 58-101. David Rosenkrantz and Ilana Prussky are not considered independent as they are officers of the Corporation.

### Orientation and Continuing Education

While the Corporation does not yet have a formal continuing education program, the directors individually and as a group are encouraged to keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors.

### Ethical Business Conduct

The Board is responsible for promoting an ethical business culture and fostering an environment that places an emphasis on compliance. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Corporation proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.

### Nomination of Directors

The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.

### Compensation

At present, no compensation (other than the grant of incentive stock options) is paid to the directors of the Corporation in their capacity as directors. The Board does not currently have a compensation committee.

### Assessments

The Board is currently responsible for assessing the effectiveness of the Board, the individual directors and the Audit Committee.

## STATEMENT OF EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

All capitalized terms used herein shall have the meaning ascribed thereto in the CPC Policy, unless otherwise defined herein. Section 8.1 of the CPC Policy states that until the completion of the Qualifying Transaction, no payment of any kind may be made, directly or indirectly, by a CPC to a Non-Arm's Length Party of the CPC or a Non-Arm's Length Party to the Qualifying Transaction, or to any person engaged in Investor Relations Activities in respect of the CPC or the securities of the CPC or any resulting issuer by any means including,

- a) remuneration, which includes but is not limited to:
  - i. salaries;
  - ii. consulting fees;
  - iii. management contract fees or directors' fees;
  - iv. finders' fees;
  - v. loans;
  - vi. advances;
  - vii. bonuses; and
- b) deposits and similar payments.

The only compensation that is permitted to the directors, officers, employees and consultants of the Corporation, so long as it is a Capital Pool Company, is the granting of incentive stock options. Due to the foregoing limitation, the Board does not consider the implications of the risks associated with the Corporation's compensation policies and practices. In addition, no officer or director of the Corporation is permitted to purchase financial instruments that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such officers and directors.

### Compensation Discussion and Analysis

The following table sets forth information concerning the total compensation for the financial year ended December 31, 2019 for David Rosenkrantz, the Chief Executive Officer and Chief Financial Officer of the Corporation, and Ilana Prussky the Treasurer and Secretary of the Corporation (each, a "**Named Executive Officer**"). Mr. Rosenkrantz and Ms. Prussky are also directors of the Corporation.

Name and Principal Position	Year Ended Dec. 31	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			
<b>David Rosenkrantz</b> , Chief Executive Officer, Chief Financial Officer	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Ilana Prussky</b> , Treasurer and Secretary	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards of the Corporation granted to the Named Executive Officers that were granted before, and remain outstanding as of the end of, the most recently completed financial year (December 31, 2019):

Named Executive Officer	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) <sup>(1)</sup>	Number of Shares or Units of Shares that have not vested	Market of Payout Value of Share-Based Awards that Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid out or Distributed
<b>David Rosenkrantz</b> , Chief Executive Officer, Chief Financial Officer	125,000	0.10	April 12, 2029	Nil	Nil	Nil	Nil
<b>Ilana Prussky</b> , Treasurer and Secretary	125,000	0.10	April 12, 2029	Nil	Nil	Nil	Nil

#### NOTES:

- (3) Calculated based on the difference between the market value of the Common Shares underlying the options at December 31, 2019 and the exercise price of the options. The last trading price of the Common Shares on the TSXV as of December 31, 2019, was \$0.10 per Common Share. During the financial year ended December 31, 2019, no options were exercised by the Named Executive Officers.

### Incentive Plan Awards

The following table sets forth the value of all incentive plans awards of the Corporation granted to

the Named Executive Officers vested or were awarded during the most recently completed financial year (December 31, 2019):

Named Executive Officer	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 (\$)
<b>David Rosenkrantz,</b> Chief Executive Officer, Chief Financial Officer	Nil	Nil	Nil
<b>Ilana Prusky,</b> Treasurer and Secretary	Nil	Nil	Nil

### **Pension and Other Benefits**

The Corporation has no pension or other benefit plans currently in place.

### **Termination and Change of Control Benefits and Management Contracts**

As at November 13, 2020, the Corporation did not have any plan, contract or arrangement, compensatory or otherwise: (1) regarding the employment of a Named Executive Officer, or (2) whereby a Named Executive Officer is entitled to receive compensation (including periodic payments or instalments) in the event of the Named Executive Officer's resignation, retirement or employment, a change of control of the Corporation, or a change in the Named Executive Officer's responsibilities following a change in control of the Corporation.

### **Other Compensation**

Other than as set forth herein, the Corporation did not pay any other compensation to the Named Executive Officer or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed fiscal year other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

### **Compensation of Directors**

During the financial period ended December 31, 2019, the Corporation paid no cash compensation to the directors for serving in their capacity as directors, except that the Corporation reimburses the out-of-pocket expenses of its directors incurred in connection with attendance at or participation in meetings of the Board.

The Named Executive Officers are also directors of the Corporation. They did not receive any additional compensation for services rendered in such capacity.

The following table shows the compensation paid to directors for the financial year ended December 31, 2019 other than directors who also serve as Named Executive Officers.

Name and Principal Position	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
Paul De Luca	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Tracy Graf	Nil	Nil	Nil	Nil	Nil	Nil	Nil

### Outstanding Share-Based Awards and Options-Based Awards

The following table sets forth all share-based and option-based awards of the Corporation granted to directors of the Corporation that were granted before, and remain outstanding as at the end of, the most recently completed financial year (December 31, 2019):

Director	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options (\$) <sup>(1)</sup>	Number of Shares or Units of Shares that have not vested	Market of Payout Value of Share-Based Awards that Have Not Vested (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid out or Distributed
David Rosenkrantz	125,000	0.10	April 12, 2029	Nil	Nil	Nil	Nil
Ilana Prussky	125,000	0.10	April 12, 2029	Nil	Nil	Nil	Nil
Paul De Luca	125,000	0.10	April 12, 2029	Nil	Nil	Nil	Nil
Tracy Graf	125,000	0.10	April 12, 2029	Nil	Nil	Nil	Nil

#### NOTES:

- (1) Calculated based on the difference between the market value of the Common Shares underlying the options at December 31, 2019 and the exercise price of the options. The last trading price of the Common Shares on the TSXV as of December 31, 2019, was \$0.10 per Common Share.

During the financial year ended December 31, 2019, no options were exercised by the directors of the Corporation.

### Incentive Plan Awards – Value Vested or Earned During the Financial Year Ended December 31, 2019

The following table sets forth the value of all incentive plan awards of the Corporation granted to directors that vested or were awarded during the most recently completed financial year (December 31, 2019), other than the directors who also serve as Named Executive Officers.

Named Executive Officer	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 (\$)
Paul De Luca	Nil	Nil	Nil
Tracy Graf	Nil	Nil	Nil

### Stock Options

The Corporation has granted stock options to acquire an aggregate of 500,000 Common Shares at an exercise price of \$0.10 per share to the directors and officers of the Corporation, which will expire April 12, 2029 from the date of grant. All common shares acquired on exercise of stock options granted to directors and officer prior to the completion of a Qualifying Transaction must also be deposited in escrow pending the completion of a Qualifying Transaction in accordance with the CPC Policy. The number of Common Shares reserved for issue under the option. Agreements will be adjusted upon any consolidation of the Common Shares of the Corporation. The following is a breakdown of the stock options received by the directors and officers:

- David Rosenkrantz: 125,000 Common Share purchase options;
- Ilana Prusky: 125,000 Common Share purchase options;
- Paul De Luca: 125,000 Common Share purchase options; and
- Tracy Graf: 125,000 Common Share purchase options.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year (December 31, 2019).

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 <sup>(1)</sup>
Equity compensation plans approved by securityholders	Nil	Nil	Nil
Equity compensation plans not approved by securityholders	500,000	\$0.10 per Common Share	500,000
<b>TOTAL</b>	<b>500,000</b>	<b>\$0.10 per Common Share</b>	<b>500,000</b>

#### NOTES:

- (1) As of November 13, 2020, the Corporation had 5,000,000 Common Shares issued and outstanding.

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

No directors or officers of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted, directly or indirectly, to the Corporation or its subsidiaries at any time since the beginning of the financial period ended December 31, 2019.

### **AUDITED FINANCIAL STATEMENTS**

The financial statements of the Corporation for the fiscal year ended December 31, 2019, together with the auditor's report thereon, will be submitted to the Meeting. Receipt at the Meeting of the financial statements and auditor's report will not constitute approval or disapproval of any matters referred to therein.

### **AUDITOR**

The Corporation's auditor is MNP LLP, 111 Richmond Street West, Suite 300, Toronto, Ontario, M5H 2G4. MNP LLP is independent with respect to the Corporation within the meaning of the rules of professional conduct in the Province of Ontario.

### **TRANSFER AGENT AND REGISTRAR**

The Corporation's transfer agent and registrar is Computershare Investor Services Inc. at its office at 100 University Avenue, Suite 800 Toronto, Ontario M5J2Y1.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as disclosed in this Information Circular, no director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time since the beginning of the financial period ended December 31, 2019, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

### **INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON**

Except as disclosed in this Information Circular, no person who has been a director or senior officer of the Corporation since the beginning of the Corporation's last financial year, no proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the aforementioned persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

The management of the Corporation knows of no matters to come before the Meeting other than as set forth in this Information Circular. **HOWEVER, IF OTHER MATTERS WHICH ARE NOT KNOWN TO THE MANAGEMENT SHOULD PROPERLY COME BEFORE THE MEETING, THE ENCLOSED FORMS OF PROXY WILL BE USED TO VOTE ON SUCH**

**MATTERS IN ACCORDANCE WITH THE BEST JUDGMENT OF THE PERSONS VOTING THE PROXY.**

**ADDITIONAL INFORMATION**

No management functions of the Corporation are performed by a person or company other than the directors or executive officers of the Corporation.

**ADDITIONAL FINANCIAL INFORMATION**

Additional financial information concerning the Corporation, including the Corporation's audited financial statements, the notes thereto, the auditor's report thereon and related management's discussion and analysis for the year ended December 31, 2019, can be found on the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**APPROVAL OF BOARD**

The contents of this Information Circular and the sending thereof of the shareholders of the Corporation have been approved.

DATED as of the 13<sup>th</sup> day of November, 2020.

*"David Rosenkrantz"*

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David Rosenkrantz  
Chief Executive Officer  
Pinehurst Capital II Inc.

**SCHEDULE "A"**

**ARTICLES**

**PROVINCE OF BRITISH COLUMBIA**

***Business Corporations Act***

**Articles of "[Aurea Mining Inc.]"**  
**(the "Company")**

**1. INTERPRETATION**

**1.1 Definitions**

In these Articles, unless the context otherwise requires:

- (a) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;
- (b) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (c) "*Interpretation Act*" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (d) "legal personal representative" means the personal or other legal representative of the shareholder;
- (e) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;
- (f) "seal" means the seal of the Company, if any; and
- (g) "solicitor of the Company" means any partner, associate or articled student of the law firm retained by the Company in respect of the matter in connection with which the term is used.

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

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

## 2. SHARES AND SHARE CERTIFICATES

### 2.1 Authorized Share Structure

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

### 2.2 Form of Share Certificate

Each share certificate issued by the Company shall be in such form as the directors may determine and approve and must comply with, and be signed as required by, the *Business Corporations Act*.

### 2.3 Shareholder Entitled to Certificate or Acknowledgment

Shares may be issued without a share certificate or written acknowledgment. Upon request, however, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

### 2.4 Delivery by Mail

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

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

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

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

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

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

- (a) proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and

(b) any indemnity the directors consider adequate.

### **2.7 Splitting Share Certificates**

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

### **2.8 Certificate Fee**

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

### **2.9 Recognition of Trusts**

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

## **3. ISSUE OF SHARES**

### **3.1 Directors Authorized**

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

### **3.2 Commissions and Discounts**

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

### **3.3 Brokerage**

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

### **3.4 Conditions of Issue**

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

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

### **3.5 Share Purchase Warrants and Rights**

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

## **4. SHARE REGISTERS**

### **4.1 Central Securities Register**

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

### **4.2 Closing Register**

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

## **5. SHARE TRANSFERS**

### **5.1 Private Issuer Restrictions**

The provisions of Article 27 shall apply to any proposed transfer of a share of the Company.

### **5.2 Registering Transfers where Certificate or Acknowledgement**

A transfer of a share of the Company for which a share certificate has been issued or for which the shareholder has received a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

- (a) an instrument of transfer, duly executed by the transferor or a duly authorized attorney of the transferor, in respect of the share;

- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;
- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; and
- (d) such other evidence, if any, as the directors or the transfer agent may require to prove the title of the transferor or his duly authorized attorney or the right to transfer the shares, and the right of the transferee to have the transfer registered.

### **5.3 Registering Transfers where no Certificate or Acknowledgement**

A transfer of a share of the Company for which a share certificate has not been issued or for which the shareholder has not received a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate (for example, where shares are issued in book-only form), must not be registered unless the requirements for transfer as approved by the directors have been met.

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

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

### **5.5 Transferor Remains Shareholder**

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

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

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

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

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

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having

the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

#### **5.8 Transfer Agent**

The Company may appoint one or more trust companies or agents as its transfer agent for the purpose of issuing, countersigning, registering, transferring and certifying the shares and share certificates of the Company.

#### **5.9 Transfer Fee**

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

### **6. TRANSMISSION OF SHARES**

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

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

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

Subject to Article 6.1, on death or bankruptcy, the legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

#### **6.3 Registration of Legal Personal Representative**

Any person becoming entitled to a share in consequence of the death or bankruptcy of a shareholder shall, upon such documents and evidence being produced to the Company as the *Business Corporations Act* requires, or who becomes entitled to a share as a result of an order of a court of competent jurisdiction or a statute, has the right either to be registered as a shareholder in his representative capacity in respect of such share, or, if he is a personal representative, instead of being registered himself, to make such transfer of the share as the deceased or bankrupt person could have made; but the directors shall, as regards a transfer by a personal representative or trustee in bankruptcy, have the same right, if any, to decline or suspend registration of a transferee as they would have in the case of a transfer of a share by the deceased or bankrupt person before the death or bankruptcy.

### **7. PURCHASE AND REDEMPTION OF SHARES**

#### **7.1 Company Authorized to Purchase or Redeem Shares**

Subject to Article 7.2, the special rights and restrictions attached to the shares of any class or series and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase, redeem or otherwise

acquire any of its shares at the price and upon the terms the directors determine. The Company may, by a resolution of directors, cancel any of its shares purchased by the Company, and upon the cancellation of such shares the number of issued shares shall be reduced accordingly.

### 7.2 Purchase When Insolvent

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

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

### 7.3 Sale and Voting of Purchased Shares

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

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

## 8. BORROWING POWERS

The Company, if authorized by the directors, may:

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

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

## 9. ALTERATIONS

### 9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may:

- (a) either by directors' resolution or by ordinary resolution, at the election of the directors in their sole discretion:
  - (1) create one or more classes of shares or, if none of the shares of a class are allotted or issued, eliminate that class of shares;
  - (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
  - (4) if the Company is authorized to issue shares of a class of shares with par value:
    - i decrease the par value of those shares; or
    - ii if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
  - (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
  - (6) alter the identifying name of any of its shares;
  - (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*; or
- (b) by ordinary resolution otherwise alter its shares or authorized share structure;

and alter its Articles and Notice of Articles accordingly.

### 9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may:

- (a) Either by directors' resolution or by ordinary resolution, at the election of the directors in their sole discretion, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, if none of those shares have been issued; and
- (b) by ordinary resolution vary or delete any special rights or restrictions attached to the shares of any class or series, whether or not any or all of those shares have been issued

and alter its Articles and Notice of Articles accordingly.

### **9.3 Change of Name**

The Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name.

### **9.4 Other Alterations**

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (a) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and
- (b) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

## **10. MEETINGS OF SHAREHOLDERS**

### **10.1 Annual General Meetings**

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

### **10.2 Consent Resolution Instead of Meeting of Shareholders**

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

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

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

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

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution and any notice of a general meeting, class meeting or series meeting or to consider approving the adoption of an amalgamation agreement, the approval of any

amalgamation into a foreign jurisdiction or the approval of any arrangement), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

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

#### **10.5 A Notice of Resolution to Which Shareholders May Dissent**

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent and a copy of the proposed resolution at least the following number of days before the meeting:

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

#### **10.6 Record Date for Notice**

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

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

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

#### **10.7 Record Date for Voting**

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

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

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

notice of such meeting. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

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

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

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

#### **10.10 Location of Meetings of Shareholders**

The Company will hold meetings of shareholders in British Columbia, subject to the directors, by resolution, approving a location for such meetings outside of British Columbia.

### **11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

#### **11.1 Special Business**

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

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
  - (1) business relating to the conduct of or voting at the meeting;
  - (2) consideration of any financial statements of the Company presented to the meeting;
  - (3) consideration of any reports of the directors or auditor;
  - (4) the setting or changing of the number of directors;
  - (5) the election or appointment of directors;
  - (6) the appointment of an auditor;

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

#### **11.2 Majority Required for a Special Resolution**

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

#### **11.3 Quorum**

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one person who is a shareholder, or who is otherwise permitted to vote shares of the Company at a meeting of shareholders pursuant to these articles, present in person or by proxy.

#### **11.4 Other Persons May Attend**

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

#### **11.5 Requirement of Quorum**

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

#### **11.6 Lack of Quorum**

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

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

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

If, at the meeting to which the meeting referred to in Article 11.6(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being,

or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

#### **11.8 Chair**

The following individuals are entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; or
- (b) if no chair of the board exists or is present and willing to act as chair of the meeting, the president of the Company; or
- (c) if the chair of the board, and the president of the Company are absent or unwilling to act as chair of the meeting, the solicitor of the Company.

#### **11.9 Selection of Alternate Chair**

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

#### **11.10 Adjournments**

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

#### **11.11 Notice of Adjourned Meeting**

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

#### **11.12 Decisions by Show of Hands, Verbal Statements, or Poll**

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy. In determining the result of a vote by show of hands, shareholders present by telephone or other communications medium in which all shareholders and proxy holders entitled to attend and participate in voting at the meeting are able to communicate with each other, may indicate their vote verbally or, otherwise in such manner as clearly evidences their vote and is accepted by the chair of the meeting.

**11.13 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.12, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

**11.14 Motion Need Not be Seconded**

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

**11.15 Casting Vote**

In case of an equality of votes either on a show of hands or on a poll, the chair of a meeting of shareholders will have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

**11.16 Manner of Taking Poll**

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

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

**11.17 Demand for Poll on Adjournment**

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

**11.18 Chair Must Resolve Dispute**

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

**11.19 Casting of Votes**

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

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

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

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

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

**11.22 Retention of Ballots and Proxies**

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

**12. VOTES OF SHAREHOLDERS****12.1 Number of Votes by Shareholder or by Shares**

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

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

**12.2 Votes of Persons in Representative Capacity**

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

**12.3 Votes by Joint Holders**

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

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

**12.4 Legal Personal Representatives as Joint Shareholders**

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

**12.5 Representative of a Corporate Shareholder**

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

- (a) for that purpose, the instrument appointing a representative must:
  - (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
  - (2) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;
- (b) if a representative is appointed under this Article 12.5:
  - (1) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (2) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

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

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

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company.

**12.7 Appointment of Proxy Holders**

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

**12.8 Alternate Proxy Holders**

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

**12.9 Proxy Holder Need Not Be Shareholder**

A person who is appointed as a proxy holder need not be a shareholder of the Company.

**12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

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

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

**12.11 Validity of Proxy Vote**

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

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

**12.12 Form of Proxy**

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

*[name of company]*  
(the "Company")

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

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

\_\_\_\_\_

Signed *[month, day, year]*

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



- (1) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
- (2) the number of directors set under Article 14.4.

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

If the number of directors is set under Articles 13.1(b)(1) or 13.1(c)(1):

- (a) the shareholders may contemporaneously elect or appoint the directors up to that number; and
- (b) subject to Article 14.8, if the shareholders do not contemporaneously elect or appoint the number of directors set resulting in vacancies, then the directors may appoint, or failing which the shareholders may elect or appoint, directors to fill those vacancies.

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

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

### **13.4 Qualifications of Directors**

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

### **13.5 Remuneration of Directors**

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

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

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

### **13.7 Special Remuneration for Directors**

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

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

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

## 14. ELECTION AND REMOVAL OF DIRECTORS

### 14.1 Election at Annual General Meeting

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

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

### 14.2 Consent to be a Director

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

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

### 14.3 Failure to Elect or Appoint Directors

If:

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

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

- (a) when his or her successor is elected or appointed; and
- (b) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

### 14.4 Places of Retiring Directors Not Filled

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

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

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

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

#### **14.6 Remaining Directors' Power to Act**

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

#### **14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, then failing the filling of any vacancies as set forth in Article 14.6, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **14.8 Additional Directors**

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

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

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

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

A director ceases to be a director when:

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

**14.10** Removal of Director by Shareholders

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

**14.11** Removal of Director by Directors

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

**14.12** Nominations Of Directors

- (a) This Article 14.12 only applies to the Company if and for so long as it is a public company.
  
- (b) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
  - (1) by or at the direction of the board, including pursuant to a notice of meeting;
  
  - (2) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act*; or
  
  - (3) by any person who:
    - (i) at the close of business on the date of the giving of the notice provided for in this Article 14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns one or more shares that are entitled to be voted at such meeting; and
  
    - (ii) complies with the notice procedures set forth below in this Article 14.12,  
(a “Nominating Shareholder”).
  
- (c) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Company, if any, or such other officer of the Company acting in that capacity, at the principal executive offices of the Company.

(d) To be timely, a Nominating Shareholder's notice under Article 14.12(c) must be made:

- (1) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders, provided, however, that if the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the meeting was made (the "Notice Date"), notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- (2) in the case of a special meeting of shareholders which is not also an annual meeting, and is called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the Notice Date.

In no event shall any adjournment or postponement of a meeting of shareholders, or the announcement of an adjournment or postponement, commence a new time period for the giving of a Nominating Shareholder's notice as described above.

(e) To be in proper written form, a Nominating Shareholder's notice under Article 14.12(c) must set forth:

- (1) for each person whom the Nominating Shareholder proposes to nominate for election as a director:
  - (i) the name, age, business address and residential address of the person;
  - (ii) the principal occupation or employment of the person;
  - (iii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the date of the notice and as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred); and
  - (iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and
- (2) for the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection

with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

- (f) The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (g) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12, provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder at a meeting of shareholders of any matter, other than the nomination of directors, in respect of which the shareholder would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act*. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Article 14.12 and, if any proposed nomination is not in compliance with this Article 14.12, to declare that such defective nomination shall be disregarded.
- (h) For purposes of this Article 14.12:
  - (1) "public announcement" shall mean disclosure in:
    - (i) a press release reported by a national news service in Canada; or
    - (ii) a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval (SEDAR), or such other electronic disclosure service as the Company is required to utilize for the filing of continuous disclosure documents pursuant to Applicable Securities Laws; and
  - (2) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such legislation, and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (i) Notice given under Article 14.12(c) may only be given by personal delivery, facsimile transmission or email, and shall be deemed to have been given and made at the time it is sent to the secretary of the Company, if any, or such other officer of the Company acting in that capacity, by:
  - (1) personal delivery to the address of the principal executive offices of the Company;

- (2) facsimile transmission, at such facsimile number as stipulated from time to time for the purposes of this notice by the secretary of the Company, if any, or such other officer of the Company acting in that capacity, and provided that receipt of confirmation of such transmission has been received; or
- (3) email, at such email address as stipulated from time to time for the purposes of this notice by the secretary of the Company, if any, or such other officer of the Company acting in that capacity, and provided that receipt of confirmation of such transmission has been received.

If such delivery or electronic communication is made on a day which is a not a business day in Vancouver, British Columbia, or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

- (j) Notwithstanding any other provision of this Article 14.12, the board may, in its sole discretion, waive any requirement of this Article 14.12.

## **15. ALTERNATE DIRECTORS**

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

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

### **15.2 Notice of Meetings**

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

### **15.3 Alternate for More Than One Director Attending Meetings**

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

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

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

#### **15.4 Consent Resolutions**

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

#### **15.5 Alternate Director Not an Agent**

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

#### **15.6 Revocation of Appointment of Alternate Director**

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

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

The appointment of an alternate director ceases when:

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

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

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

### **16. POWERS AND DUTIES OF DIRECTORS**

#### **16.1 Powers of Management**

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

**16.2 Appointment of Attorney of Company**

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

**16.3 Setting the Remuneration of Auditors**

The directors may from time to time set the remuneration of the auditors of the Company.

**17. DISCLOSURE OF INTERESTS OF DIRECTORS AND OFFICERS****17.1 Obligation to Account for Profits**

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

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

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

**17.3 Interested Director Counted in Quorum**

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

**17.4 Disclosure of Conflict of Interest or Property**

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

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

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

**17.6 No Disqualification**

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

**17.7 Professional Services by Director or Officer**

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

**17.8 Director or Officer in Other Corporations**

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

**18. PROCEEDINGS OF DIRECTORS****18.1 Meetings of Directors**

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

**18.2 Voting at Meetings**

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

**18.3 Chair of Meetings**

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

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

- (3) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

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

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

- (a) in person;
- (b) by telephone; or
- (c) with the consent of all directors, by other communications medium;

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

#### **18.5 Calling of Meetings**

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

#### **18.6 Notice of Meetings**

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

#### **18.7 When Notice Not Required**

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

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

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

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

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

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

and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director. Attendance of a director or alternate director is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### **18.10 Quorum**

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

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

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

#### **18.12 Consent Resolutions in Writing**

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

### **19. EXECUTIVE AND OTHER COMMITTEES**

#### **19.1 Appointment and Powers of Executive Committee**

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

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

**19.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

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

**19.3 Obligations of Committees**

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

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

**19.4 Powers of Board**

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

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

**19.5 Committee Meetings**

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

- (a) the committee may meet and adjourn as it thinks proper;

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

## **20. OFFICERS**

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

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

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

The directors may, for each officer:

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

### **20.3 Qualifications**

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

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

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

## **21. INDEMNIFICATION**

### **21.1 Definitions**

In this Article 21:

- (a) “eligible penalty” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

- (b) “eligible proceeding” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:
- (1) is or may be joined as a party; or
  - (2) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) “expenses” has the meaning set out in the *Business Corporations Act*.

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

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

#### **21.3 Indemnification of Other Persons**

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

#### **21.4 Non-Compliance with Business Corporations Act**

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

#### **21.5 Company May Purchase Insurance**

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

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

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

## 22. DIVIDENDS

### 22.1 Payment of Dividends Subject to Special Rights

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

### 22.2 Declaration of Dividends

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

### 22.3 No Notice Required

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

### 22.4 Record Date

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

### 22.5 Manner of Paying Dividend

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

### 22.6 Settlement of Difficulties

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

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

### 22.7 When Dividend Payable

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

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

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

**22.9 Receipt by Joint Shareholders**

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

**22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

**22.11 Fractional Dividends**

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

**22.12 Payment of Dividends**

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

**22.13 Capitalization of Retained Earnings or Surplus**

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

**23. DOCUMENTS, RECORDS AND REPORTS****23.1 Recording of Financial Affairs**

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

**23.2 Inspection of Accounting Records**

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

## 24. NOTICES

### 24.1 Method of Giving Notice

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

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

### 24.2 Deemed Receipt of Mailing

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

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

- (c) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

#### **24.3 Certificate of Sending**

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

#### **24.4 Notice to Joint Shareholders**

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

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

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

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

#### **24.6 Undelivered Notices**

If any record sent to a shareholder pursuant to Article 24.1 is returned on two consecutive occasions because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

### **25. SEAL**

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

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

- (a) any two directors;
- (b) any officer, together with any director;

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

## **25.2 Sealing Copies**

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

## **25.3 Mechanical Reproduction of Seal**

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

## **26. MECHANICAL REPRODUCTIONS OF SIGNATURES**

### **26.1 Instruments may be Mechanically Signed**

The signature of any officer, director, registrar, branch registrar, transfer agent or branch transfer agent of the Company, unless otherwise required by the *Business Corporations Act* or by these Articles, may, if authorized by the directors, be printed, lithographed, engraved or otherwise mechanically reproduced upon all instruments executed or issued by the Company or any officer thereof; and any instrument on which the signature of any such person is so reproduced shall be deemed to have been manually signed by such person whose signature is so reproduced and shall be as valid to all intents and purposes as if such instrument had been signed manually, and notwithstanding that the person whose signature is so reproduced may have ceased to hold the office that he is stated on such instrument to hold at the date or issue of such instrument.

### **26.2 Definitions of Instruments**

The term "instrument" as used in Article 26.1 shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, agreements, releases, receipts and discharges for the payment of money or other obligations, shares and share warrants of the Company, bonds, debentures and other debt obligations of the Company, and all paper writings.

## **27. PROHIBITIONS**

### **27.1 Definitions**

In this Article 27:

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

### **27.2 Application**

Article 27.3 does not apply to the Company if and for so long as it is a public company.

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

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

## SCHEDULE "B"

### SUMMARY OF DISSENT RIGHTS

Section 185 of the OBCA provides that a shareholder may only exercise the right to dissent with respect to all the shares of a class held by the shareholder on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that a shareholder may only exercise the right to dissent under Section 185 of the OBCA in respect of the shares which are registered in that shareholder's name. In many cases, shares beneficially owned by a person are registered either: (i) in the name of an intermediary that the beneficial shareholder deals with in respect of the shares (such as banks, trust companies, securities dealers and brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, and their nominees); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("CDS")) of which the intermediary is a participant. Accordingly, a beneficial shareholder will not be entitled to exercise the right to dissent under Section 185 of the OBCA directly (unless the shares are re-registered in such beneficial holder's name). A beneficial shareholder who wishes to exercise the right to dissent should immediately contact the intermediary who the beneficial shareholder deals with in respect of the applicable shares and either: (i) instruct the intermediary to exercise the right to dissent on the beneficial shareholder's behalf (which, if the shares are registered in the name of CDS or another clearing agency, would require that the shares first be re-registered in the name of the intermediary); or (ii) instruct the intermediary to re-register the shares in the name of the beneficial shareholder, in which case the beneficial shareholder would then have to exercise the right to dissent directly.

A registered shareholder who wishes to invoke the provisions of Section 185 of the OBCA must send the Corporation a written objection to the Continuance Resolution (a "**Notice of Dissent**") at the following address: The Exchange Tower, 130 King St. West, Suite 2210, Toronto, Ontario, M5X 1E4, Attention: David Rosenkrantz. The Notice of Dissent must be sent at or before the Meeting. The sending of a Notice of Dissent does not deprive a registered shareholder of his or her right to vote on the Continuance Resolution, but a vote either in person or by proxy against the Continuance Resolution does not constitute a Notice of Dissent.

Within 10 days after the Continuance Resolution is approved, the Corporation must send a notice confirming passage for such resolution (the "**Approval Notice**") to those dissenting shareholders who have not withdrawn their Notices of Dissent and did not vote in favor of the Continuance Resolution at the Meeting. Within 20 days after receipt of such Approval Notice (or if a dissenting shareholder entitled to receive the Approval Notice does not receive such Approval Notice, within 20 days after he, she or it learns of the approval of the applicable resolution), a dissenting shareholder who has not withdrawn her, his or its Notice of Dissent and did not vote in favor of the Continuance Resolution at the Meeting must send the Corporation a written notice containing her, his or its name and address, the number of shares of the Corporation held and a demand for payment of the fair value of such shares and, within 30 days after sending such written notice, such dissenting shareholder must also send the Corporation the appropriate share certificate(s), if any. If the continuance of the Corporation into British Columbia becomes effective, the Corporation is required to determine the fair value of the shares of the Corporation and to make a written offer to the dissenting shareholder to pay such amount. The fair value of those shares is to be determined as of the close of business on the last business day before the date on which the Continuance

Resolution was adopted. If the Corporation fails to make a written offer or such offer is not accepted within 50 days after the continuance of the Corporation into British Columbia, the Corporation may apply to the court to fix the fair value of such shares, as applicable. There is no obligation on the Corporation to apply to the court. If the Corporation fails to make such an application, a dissenting shareholder has the right to so apply within a further 20 days. If an application is made by either party, the final order of the court will fix the fair value of the shares of all dissenting shareholders. The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the shareholder ceased to have any rights by reason of their dissent until the date of payment.

A dissenting shareholder will cease to have any rights as a shareholder of the Corporation other than the right to be paid the fair value for her, his or its shares upon the earliest of: (i) the continuance of the Corporation into British Columbia becoming effective; (ii) the Corporation and the dissenting shareholder entering into an agreement as to the payment to be made by the Corporation for the dissenting shareholder's shares; or (iii) the Court making an order fixing the fair value of the shares. Until one of these three events occur, the dissenting shareholder may withdraw the Notice of Dissent or the Corporation may rescind the Continuance Resolution, and the dissent and appraisal proceedings in respect of such dissenting shareholder will be discontinued.

Dissenting shareholders will not have any right other than those granted under the OBCA to have their shares, as applicable, appraised or to receive the fair value thereof.

The above is only a summary and is expressly subject to the dissenting shareholder provisions of Section 185 of the OBCA. The Corporation is not required to notify, and the Corporation will not notify, shareholders of the time periods within which action must be taken in order for a shareholder to exercise the shareholder's dissent rights. It is recommended that any shareholder of the Corporation wishing to exercise a right to dissent should seek legal advice, as failure to comply strictly with the provisions of the OBCA may result in the loss or unavailability of the right to dissent.

## **SECTION 185 OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)**

### **Rights of dissenting shareholders**

- 185** (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,
- (a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
  - (b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
  - (c) amalgamate with another corporation under sections 175 and 176;
  - (d) be continued under the laws of another jurisdiction under section 181; or

- (e) sell, lease or exchange all or substantially all its property under subsection 184 (3), a holder of shares of any class or series entitled to vote on the resolution may dissent.

R.S.O. 1990, c. B.16, s. 185 (1).

#### **Idem**

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

R.S.O. 1990, c. B.16, s. 185 (2).

#### **One class of shares**

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

2006, c. 34, Sched. B, s. 35.

#### **Exception**

- (3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,
  - (a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or
  - (b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

R.S.O. 1990, c. B.16, s. 185 (3).

#### **Shareholder's right to be paid fair value**

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

R.S.O. 1990, c. B.16, s. 185 (4).

**No partial dissent**

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

R.S.O. 1990, c. B.16, s. 185 (5).

**Objection**

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

R.S.O. 1990, c. B.16, s. 185 (6).

**Idem**

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

R.S.O. 1990, c. B.16, s. 185 (7).

**Notice of adoption of resolution**

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

R.S.O. 1990, c. B.16, s. 185 (8).

**Idem**

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

R.S.O. 1990, c. B.16, s. 185 (9).

**Demand for payment of fair value**

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

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

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

R.S.O. 1990, c. B.16, s. 185 (10).

#### **Certificates to be sent in**

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

R.S.O. 1990, c. B.16, s. 185 (11); 2011, c. 1, Sched. 2, s. 1 (9).

#### **Idem**

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

R.S.O. 1990, c. B.16, s. 185 (12).

#### **Endorsement on certificate**

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

R.S.O. 1990, c. B.16, s. 185 (13).

#### **Rights of dissenting shareholder**

- (14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,
  - (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);
  - (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

- (c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),
- in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10).

R.S.O. 1990, c. B.16, s. 185 (14); 2011, c. 1, Sched. 2, s. 1 (10).

**Same**

- (14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),
- (a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or
- (b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,
- (i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and
- (ii) to be sent the notice referred to in subsection 54 (3).

2011, c. 1, Sched. 2, s. 1 (11).

**Same**

- (14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,
- (a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and
- (b) to be sent the notice referred to in subsection 54 (3).

2011, c. 1, Sched. 2, s. 1 (11).

**Offer to pay**

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

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

R.S.O. 1990, c. B.16, s. 185 (15).

**Idem**

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

R.S.O. 1990, c. B.16, s. 185 (16).

**Idem**

- (17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

R.S.O. 1990, c. B.16, s. 185 (17).

**Application to court to fix fair value**

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

R.S.O. 1990, c. B.16, s. 185 (18).

**Idem**

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

R.S.O. 1990, c. B.16, s. 185 (19).

**Idem**

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

R.S.O. 1990, c. B.16, s. 185 (20).

### **Costs**

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

R.S.O. 1990, c. B.16, s. 185 (21).

### **Notice to shareholders**

- (22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,
- (a) has sent to the corporation the notice referred to in subsection (10); and
  - (b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made, of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

R.S.O. 1990, c. B.16, s. 185 (22).

### **Parties joined**

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

R.S.O. 1990, c. B.16, s. 185 (23).

### **Idem**

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

R.S.O. 1990, c. B.16, s. 185 (24).

### **Appraisers**

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

R.S.O. 1990, c. B.16, s. 185 (25).

### **Final order**

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

R.S.O. 1990, c. B.16, s. 185 (26).

### **Interest**

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

R.S.O. 1990, c. B.16, s. 185 (27).

### **Where corporation unable to pay**

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

R.S.O. 1990, c. B.16, s. 185 (28).

### **Idem**

- (29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,
- (a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or
  - (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

R.S.O. 1990, c. B.16, s. 185 (29).

### **Idem**

- (30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,
- (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or
  - (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

R.S.O. 1990, c. B.16, s. 185 (30).

### **Court order**

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

1994, c. 27, s. 71 (24).

### **Commission may appear**

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

1994, c. 27, s. 71 (24).

## SCHEDULE "C"

### RESULTING ISSUER OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN

#### ARTICLE 1 ESTABLISHMENT, PURPOSE AND DURATION

**1.1 Establishment of the Plan.** The following is the omnibus equity incentive compensation plan of Aurea Mining Inc. (the "**Corporation**") pursuant to which stock-based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The name of the plan is the Aurea Mining Inc. 2020 Omnibus Equity Incentive Compensation Plan (the "**Plan**"). The Plan permits the grant of Options, Share Appreciation Rights, Restricted Share Units, Deferred Share Units and Performance Share Units (as such terms are defined below).

The Plan was approved by the Board (as defined below) on October 21, 2020, and will be deemed to become effective upon completion of the proposed initial public offering of common shares of the Corporation (the "**Effective Date**"), which is expected to be completed on or about October 30, 2020, until the earlier of: (i) the date it is terminated by the Board in accordance with the Plan; and (ii) 10 years after the date of the Plan.

**1.2 Purpose of the Plan.** The purposes of the Plan are to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants, (ii) align the interests of Participants with that of other shareholders of the Corporation generally, and (iii) enable and encourage Participants to participate in the long-term growth of the Corporation through the acquisition of Shares (as defined below) as long-term investments.

**1.3 Termination of Predecessor Plan.** The Plan shall, in respect of Options, serve as the successor to the Corporation's stock option plan as it existed prior to the Effective Date (the "**Predecessor Plan**"). The Predecessor Plan will be deemed to be terminated as of, and no further awards shall be made under the Predecessor Plan from and after, the Effective Date.

#### ARTICLE 2 DEFINITIONS

Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.

**"Affiliate"** means any corporation, partnership or other entity: (i) in which the Corporation, directly or indirectly, has majority ownership interest; or (ii) which the Corporation controls. For the purposes of this definition, the Corporation is deemed to "control" such corporation, partnership or other entity if the Corporation possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.

**"Award"** means, individually or collectively, a grant under the Plan of Options, SARs, Deferred Share Units, Restricted Share Units or Performance Share Units, in each case subject to the terms

of the Plan.

**"Award Agreement"** means either: (i) a written agreement entered into by the Corporation or an Affiliate of the Corporation and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Corporation or an Affiliate of the Corporation to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan. An Award Agreement need not be identical to other Award Agreements either in form or substance.

**"Blackout Period"** means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Corporation in respect of insider trading.

**"Board"** means the board of directors of the Corporation as constituted from time to time.

**"Cause"** means either: (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Corporation and the term "cause" is defined in such agreement, "cause" as defined in such agreement; or (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant, (B) the failure of the Participant to follow the Corporation's reasonable instructions with respect to the performance of his or her duties, (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Corporation, (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud, or (E) any other act or omission of the Participant which would at law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.

**"Change of Control"** means the occurrence of any one or more of the following events:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the *Corporation* as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the *Corporation* and/or any of its subsidiaries to any other Person, other than disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the *Corporation* and its subsidiaries;
- (c) a resolution is adopted to windup, dissolve or liquidate the *Corporation*;
- (d) an acquisition by any Person or group of Persons acting jointly or in concert of beneficial ownership of more than 50% of the Shares; or
- (e) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.

**"Code"** means the U.S. Internal Revenue Code of 1986, as amended from time to time, or any successor thereto.

**"Committee"** means the Board or, if so delegated in whole or in part by the Board, any duly

authorized committee of the Board appointed by the Board to administer the Plan.

**"Corporation"** means Pinehurst Capital II Inc.

**"Consultant"** has the meaning set out in Policy 4.4 of the TSXV Corporate Finance Manual or such replacement definition for so long as the Shares are listed on the TSXV, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.

**"Deferred Share Unit"** means an Award denominated in units that provides the holder thereof with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under and subject to the terms of the Plan.

**"Director"** means any individual who is a member of the Board.

**"Disability"** means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Corporation (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.

**"Dividend Equivalent"** means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.

**"Employee"** means any employee or officer of the Corporation or an Affiliate of the Corporation; provided, however, that Directors who are not otherwise employed by the Corporation or an Affiliate of the Corporation shall not be considered Employees under the Plan.

**"Existing Awards"** means options to purchase 1,921,400 Shares (on a post-Split basis) granted by the Corporation under the Predecessor Plan prior to, but which remain outstanding as of, the Effective Date.

**"FMV"** means, unless otherwise required by any applicable provision of the Code or any regulations thereunder or by any applicable accounting standard for the Corporation's desired accounting for Awards or by the rules of the TSXV, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the TSXV less any discount permitted by the rules or policies of the TSXV.

**"Freestanding SAR"** means a SAR that is not a Tandem SAR, as described herein.

**"Grant Price"** means the price against which the amount payable is determined upon exercise of a SAR.

**"Insider"** has the meaning ascribed thereto in Section 1(1) of the OSA.

**"ITA"** means the *Income Tax Act* (Canada).

**"Non-Employee Director"** means a Director who is not an Employee.

**"Notice Period"** means any period of contractual notice or reasonable notice that the Corporation or an Affiliate of the Corporation may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Corporation or Affiliate elects

to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.

**"Option"** means the conditional right to purchase Shares at a stated Option Price for a specified period of time, subject to the terms of the Plan.

**"Option Price"** means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

**"OSA"** means the *Securities Act* (Ontario), as may be amended from time to time.

**"Participant"** means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan or the Predecessor Plan.

**"Performance Period"** means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.

**"Performance Share Unit"** means an Award granted under Article 10 herein and subject to the terms of the Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.

**"Period of Restriction"** means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.

**"Person"** has the meaning ascribed to such term in Section 1(1) of the OSA.

**"Restricted Share Unit"** means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares or cash or a combination thereof upon settlement of the Award, granted under Article 8 herein and subject to the terms of the Plan.

**"Retirement"** or **"Retire"** means a Participant's permanent withdrawal from employment or office with the Corporation or an Affiliate of the Corporation on terms and conditions accepted by the Board.

**"Share Appreciation Right"** or **"SAR"** means the conditional right to receive the difference between the FMV of a Share on the date of exercise over the Grant Price, pursuant to the terms of Article 7 herein and subject to the terms of the Plan.

**"Shares"** means common shares of the Corporation.

**"Split"** means the subdivision of the outstanding common shares of the Corporation on the basis of 50 post-Split Shares for each 1 pre-Split Share, to be completed on or about October 30, 2020.

**"Tandem SAR"** means a SAR that the Committee specifies is granted in connection with a related Option pursuant to Article 7 herein and subject to the terms of the Plan, the exercise of which shall require forfeiture of the right to purchase a Share under the related Option (and when a Share is purchased under the Option, the Tandem SAR shall similarly be cancelled) or a SAR that is granted in tandem with an Option but the exercise of such Option does not cancel the SAR, but rather results in the exercise of the related SAR. Regardless of whether an Option is granted coincident with a SAR: (a) a SAR is not a Tandem SAR unless so specified by the Committee at the time of grant;

and (b) a Tandem SAR shall be considered two separate Awards under the Plan.

**"Termination Date"** means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Corporation or any Affiliate of the Corporation for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Corporation or an Affiliate of the Corporation shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Corporation or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Corporation or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.

**"TSXV"** means the TSX Venture Exchange and at any time the Shares are not listed and posted for trading on the TSXV, shall be deemed to mean such other stock exchange or trading platform upon which the Shares trade and which has been designated by the Committee.

**"U.S. Participants"** means those Participants that are United States taxpayers.

**"Voting Securities"** shall mean any securities of the Corporation ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

### **ARTICLE 3 ADMINISTRATION**

**3.1 General.** The Committee shall be responsible for administering the Plan. The Committee may employ attorneys, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Corporation, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such Persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Corporation, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Corporation with respect to any such determination or action in the manner provided for by the Corporation and its subsidiaries.

**3.2 Authority of the Committee.** The Committee shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, whether Awards payout in cash or Shares where applicable, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 14, adopting modifications and amendments to the Plan or any Award Agreement,

including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Corporation and its Affiliates operate.

**3.3 Delegation.** The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

## **ARTICLE 4 SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS**

### **4.1 Maximum Number of Shares Available for Awards.**

- (a) The maximum number of Shares issuable pursuant to Options issued under the Plan shall be equal to 10% of the then outstanding Shares on a rolling basis (inclusive of all stock options forming part of the Existing Awards and all Shares issued as Dividend Equivalents in connection with an Option). To the extent that an Option lapses or the rights of its Participant terminate or are paid out in cash (except in the case of Options which cannot be paid out in cash), any Shares subject to such Option shall again be available for the grant of an Option.
- (b) In addition to (and not inclusive of) the maximum number of Shares issuable pursuant to Options issued under the Plan as specified in Section 4.1(a), the Corporation may issue up to an additional Shares, in the aggregate, pursuant to the exercise of SARs, RSUs, DSUs and PSUs issued under the Plan (inclusive of all Shares issued as Dividend Equivalents in connection with a SAR, RSU, DSU or PSU).

**4.2 Award Grants to Individuals.** The maximum number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Shares, calculated on the date an Award is granted to the Participant, unless the Corporation obtains disinterested shareholder approval as required by the policies of the TSXV. The maximum number of Shares for which Awards may be issued to any Consultant or Persons (in the aggregate) retained to provide Investor Relations Activities (as defined by the TSXV) shall not exceed 2% of the outstanding Shares, calculated on the date an Award is granted to the Consultant or any such Person, as applicable. For greater certainty, no Awards other than Options may be issued to any Consultants or Persons retained to provide Investor Relations Activities.

**4.3 Award Grants to Insiders.** Unless disinterested shareholder approval as required by the policies of the TSXV is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the outstanding Shares; and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the outstanding Shares, calculated at the date an Award is granted to any Insider.

**4.4 Adjustments in Authorized Shares.** In the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Corporation or the capitalization of the Corporation) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend,

extraordinary dividend, stock split, reverse stock split, split up, spinoff or other distribution of stock or property of the Corporation, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Corporation, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price or Grant Price applicable to outstanding Awards, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant or Share Appreciation Rights with a Grant Price equal to at least the FMV of a Share on the date of grant, and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with Section 409A of the Code with respect to any U.S. Participants.

Subject to the provisions of Article 12 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

**4.5 Existing Awards.** Subject to any required approvals of the TSXV and compliance with applicable securities laws, all Existing Awards granted under the Predecessor Plan shall, from and after the Effective Date, be subject to and governed by the terms of the Plan.

## **ARTICLE 5 ELIGIBILITY AND PARTICIPATION**

**5.1 Eligibility.** Awards under the Plan shall be granted only to bona fide Employees, Non--Employee Directors and Consultants.

**5.2 Actual Participation.** Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

## **ARTICLE 6 STOCK OPTIONS**

**6.1 Grant of Options.** Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.

**6.2 Award Agreement.** Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine.

**6.3 Option Price.** The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant.

**6.4 Vesting of Options.** Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest equally over a four-year period such that 1/4 of the Options shall vest on the first, second, third and fourth anniversary dates of the date that the Options were granted.

**6.5 Duration of Options.** Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to Section 6.6, no Option shall be exercisable later than the tenth (10<sup>th</sup>) anniversary date of its grant.

**6.6 Blackout Periods.** If the date on which an Option is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10-business day period.

**6.7 Exercise of Options.** Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.

**6.8 Payment.** Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Corporation or an agent designated by the Corporation in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price.

The Option Price upon exercise of any Option shall be payable to the Corporation in full by direct deposit or wire transfer.

As soon as practicable after receipt of a notification of exercise and full payment of the Option Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Corporation. As of the business day the Corporation receives such notice and such payment, the Participant (or the Person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Corporation as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the 15<sup>th</sup> day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Corporation shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).

**6.9 Death, Disability, Retirement and Termination or Resignation of Employment.** If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) **Death:** If a Participant dies while an Employee, Director of, or Consultant to, the *Corporation* or an Affiliate of the *Corporation*:
  - (i) all unvested Options as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (b) **Disability:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) **Retirement:** If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.
- (d) **Termination for Cause:** If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.

- (e) Termination without Cause or Voluntary Resignation: Subject to Section 6.9(f), if a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 6.9(a)-6.9(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Options shall automatically and immediately expire and be forfeited, and
  - (ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

**6.10 Nontransferability of Options.** An Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, all Options granted to a Participant under this Article 6 shall be exercisable during such Participant's lifetime only by such Participant.

## ARTICLE 7 SHARE APPRECIATION RIGHTS

**7.1 Grant of SARs.** Subject to the terms and conditions of the Plan, SARs may be granted to Participants at any time and from time to time and upon such terms as shall be determined by the Committee in its discretion. The Committee may grant Freestanding SARs, Tandem SARs, or any combination of these forms of SARs.

The Grant Price for each grant of a Freestanding SAR shall be determined by the Committee and shall be specified in the Award Agreement. The Grant Price may be based on one hundred percent (100%) of the FMV of the Shares on the date of grant, or set at a premium to the FMV of the Shares on the date of grant, or be indexed to the FMV of the Shares on the date of grant, with the index determined by the Committee, in its discretion, provided that the Grant Price may never be less than the FMV of the Shares on the date of Grant. The Grant Price of Tandem SARs shall be equal to the Option Price of the related Option.

**7.2 SAR Agreement.** Each SAR Award shall be evidenced by an Award Agreement that shall specify the Grant Price, the term of the SAR, and any such other provisions as the Committee shall determine.

**7.3 Term of SAR.** The term of a SAR granted under the Plan shall be determined by the Committee, in its sole discretion, and subject to Section 7.4, no SAR shall be exercisable later than the tenth (10<sup>th</sup>) anniversary date of its grant.

**7.4 Blackout Periods.** If the date on which a SAR is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such SAR shall be extended to the last day of such 10-business day period.

**7.5 Exercise of Freestanding SARs.** Freestanding SARs may be exercised upon whatever terms and conditions the Committee, in its sole discretion, imposes.

**7.6 Exercise of Tandem SARs.** With respect to Participants who are not subject to taxation under the ITA, Tandem SARs may be exercised for all or part of the Shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, if applicable. With respect to Participants subject to taxation under the ITA, prior to exercising a Tandem SAR the Participant must elect to receive the Tandem SAR in consideration for the disposition of that Participant's right to receive Shares under the Option. A Tandem SAR may be exercised only with respect to the Shares for which its related Option is then exercisable.

**7.7 Payment of SAR Amount.** Upon the exercise of a SAR, a Participant shall be entitled to receive payment from the Corporation in an amount representing the difference between the FMV of the underlying Shares on the date of exercise over the Grant Price. At the discretion of the Committee, the payment upon SAR exercise may be in cash, Shares of equivalent value (based on the FMV of the Shares on the date of exercise of the SAR, as defined in the Award Agreement or otherwise defined by the Committee thereafter), in some combination thereof, or in any other form approved by the Committee at its sole discretion (subject to compliance with the rules of the TSXV). Payment shall be made no earlier than the date of exercise nor later than 2&1/2 months after the close of the year in which the SAR is exercised. The Committee's determination regarding the form of SAR payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the SAR (subject to compliance with the rules of the TSXV).

**7.8 Termination of Employment.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to exercise the SAR following termination of the Participant's employment or other relationship with the Corporation or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all SARs issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any SAR be exercisable for more than 12 months after the Termination Date.

**7.9 Nontransferability of SARs.** A SAR granted under the Plan may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the SAR shall continue to be subject to the terms of the Plan). Further, all SARs granted to a Participant under the Plan shall be exercisable during such Participant's lifetime only by such Participant.

## **ARTICLE 8 RESTRICTED SHARE UNITS**

**8.1 Grant of Restricted Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

**8.2 Restricted Share Unit Agreement.** Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, the settlement date for Restricted Share Units, whether such Restricted Share Unit is settled in cash, Shares or a combination thereof or if the form of payment is reserved for later determination by the Committee (provided that such other form of payment complies with the rules of the TSXV), and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted

Share Unit shall vest later than three years after the date of grant. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the achievement of specific performance criteria, time-based restrictions on vesting following the attainment of the performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV.

**8.3 Vesting of Restricted Share Units.** Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Restricted Share Units, Restricted Share Units shall vest equally over a three year period such that 1/3 of the Restricted Share Units granted in an Award shall vest on the first, second and third anniversary dates of the date that the Award was granted, and provided that no Restricted Share Unit granted shall vest and be payable after December 31<sup>st</sup> of the third calendar year following the year of service for which the Restricted Share Unit was granted.

**8.4 Black Out Periods.** If the date on which a Restricted Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10-business day period.

**8.5 Nontransferability of Restricted Share Units.** The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

**8.6 Dividends and Other Distributions.** During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Restricted Share Units.

**8.7 Death, Disability, Retirement and Termination or Resignation of Employment.** If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the **Corporation** or an Affiliate:
  - (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.

- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in Sections 8.7(a)-8.7(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and
  - (ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.
- (f) Payment in Settlement of Restricted Share Units. When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the **Corporation** in settlement of such Restricted Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date multiplied by the number of Restricted Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, (iii) in some combination thereof, or (iv) in any other form, all as determined by the Committee at its sole discretion (provided that such other form of payment complies with the rules of the TSXV). The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units. In the event settlement is made by payment in cash, such payment shall be made by the earlier of (i) 2&1/2 months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31<sup>st</sup> of the third year following the year of the grant date.

**ARTICLE 9**  
**DEFERRED SHARES UNITS**

**9.1 Grant of Deferred Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

**9.2 Deferred Share Unit Agreement.** Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the TSXV, or holding requirements or sale restrictions placed on the Shares by the Corporation upon vesting of such Deferred Share Units.

**9.3 Nontransferability of Deferred Share Units.** The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.

**9.4 Black Out Periods.** If the date on which a Deferred Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10-business day period.

**9.5 Dividends and Other Distributions.** Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Deferred Share Units.

**9.6 Termination of Employment, Consultancy or Directorship.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Corporation or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Deferred Share Unit be retained for more than 12 months after the Termination Date.

**9.7 Payment in Settlement of Deferred Share Units.** When and if Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Corporation in settlement of such Deferred Share Units: (i) in cash, in an amount equal to the product of the FMV of a Share on the applicable settlement date less the stipulated purchase price

for the Deferred Share Units being settled, if any, multiplied by the number of Deferred Share Units being settled, (ii) in a number of Shares (issued from treasury) equal to the number of Deferred Share Units being settled, (iii) in some combination thereof, or (iv) in any other form (provided that such other form of payment complies with the rules of the TSXV), all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units.

## **ARTICLE 10 PERFORMANCE SHARE UNITS**

**10.1 Grant of Performance Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine.

**10.2 Value of Performance Share Units.** Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.

**10.3 Earning of Performance Share Units.** Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Corporation shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.

**10.4 Form and Timing of Payment of Performance Share Units.** Payment of earned Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of the Plan, the Committee, in its sole discretion, may pay earned Performance Share Units in the form of: (i) cash equal to the value of the earned Performance Share Units at the end of the applicable Performance Period, (ii) a number of Shares issued from treasury equal to the number of earned Performance Share Units at the end of the applicable Performance Period, or (iii) in a combination thereof (subject to compliance with the rules of the TSXV). Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination. In no event will delivery of such Shares or payment of any cash amounts be made later than the earlier of (i) two and a half months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31<sup>st</sup> of the third year following the year of the grant date.

**10.5 Dividends and Other Distributions.** Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any

restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Performance Share Units.

**10.6 Termination of Employment, Consultancy or Directorship.** Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Share Units following termination of the Participant's employment or other relationship with the Corporation or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that: (a) such provisions shall comply with the rules of the TSXV; and (b) in no event shall any Performance Share Unit be retained for more than 12 months after the Termination Date.

**10.7 Non-transferability of Performance Share Units.** Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution (provided that in such case the Performance Share Units shall continue to be subject to the terms of the Plan). Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

## **ARTICLE 11 BENEFICIARY DESIGNATION**

**11.1 Beneficiary.** A Participant's "beneficiary" is the Person or Persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.

**11.2 Discretion of the Committee.** Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 11, or both, in favor of another method of determining beneficiaries.

## **ARTICLE 12 RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE**

**12.1 Employment.** Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Corporation or an Affiliate of the Corporation to terminate any Participant's employment, consulting or other service relationship with the Corporation or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Corporation or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Corporation or an Affiliate of the Corporation, and, accordingly, subject

to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Corporation or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Corporation and an Affiliate or among Affiliates of the Corporation, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Corporation or an Affiliate of the Corporation shall not be deemed a termination of employment for purposes of an Award.

**12.2 Participation.** No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No Person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.

**12.3 Rights as a Shareholder.** A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

## **ARTICLE 13 CHANGE OF CONTROL**

**13.1 Discretion of Board.** Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards (provided, however, that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required); (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Corporation will receive in the Change of Control; and/or (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control. With respect to U.S. Participant, the treatment of Awards upon a Change of Control shall be provided for in the Award Agreement.

**13.2 Non-Occurrence of Change of Control.** In the event that any Awards are conditionally exercised pursuant to Section 13.1 and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Corporation shall be returned to the Participant.

**13.3 Agreement with Purchaser in a Change of Control.** In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant

entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

#### **ARTICLE 14 AMENDMENT AND TERMINATION**

**14.1 Amendment and Termination.** The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules of the TSXV, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable. Any amendment that would cause an Award held by a Participant that is a U.S. taxpayer to fail to comply with Section 409A of the Code shall be null and void with respect to such Participant.

**14.2 Reduction of Option Price or Grant Price.** Disinterested shareholder approval as required by the policies of the TSXV shall be obtained for any reduction in the Option Price of an Option or the Grant Price of a SAR if the Participant is an Insider of the Corporation at the time of the proposed amendment.

#### **ARTICLE 15 WITHHOLDING**

**15.1 Withholding.** The Corporation or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Corporation or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Corporation withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.

**15.2 Acknowledgement.** Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Corporation. Participant further acknowledges that the Corporation: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Corporation may be required to withhold or account for taxes in more than one jurisdiction.

#### **ARTICLE 16 SUCCESSORS**

Any obligations of the Corporation or its Affiliates under the Plan with respect to Awards granted

hereunder shall be binding on any successor to the Corporation or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Corporation or the Affiliate, as applicable.

## **ARTICLE 17 GENERAL PROVISIONS**

**17.1 Delivery of Title.** The Corporation shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:

- (a) Obtaining any approvals from governmental agencies that the *Corporation* determines are necessary or advisable; and
- (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the *Corporation* determines to be necessary or advisable.

**17.2 Investment Representations.** The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.

**17.3 Uncertificated Shares.** To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a noncertificated basis to the extent not prohibited by applicable law or the rules of the TSXV.

**17.4 No Fractional Shares.** No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.

**17.5 Other Compensation and Benefit Plans.** Nothing in the Plan shall be construed to limit the right of the Corporation or an Affiliate of the Corporation to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.

**17.6 No Constraint on Corporate Action.** Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Corporation's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Corporation or its Affiliates to take any action which such entity deems to be necessary or appropriate.

**17.7 Compliance with Canadian Securities Laws.** All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.

**17.8 Compliance with U.S. Securities Laws.** All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Corporation shall not be required to issue any Shares otherwise issuable hereunder.

## **ARTICLE 18 LEGAL CONSTRUCTION**

**18.1 Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.

**18.2 Severability.** In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.

**18.3 Requirements of Law.** The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Corporation or an Affiliate of the Corporation shall receive the consideration required by law for the issuance of Awards under the Plan. The inability of the Corporation or an Affiliate of the Corporation to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Corporation or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Corporation or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

**18.4 Governing Law.** The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

**18.5 Compliance with Section 409A of the Code.**

- (a) To the extent the Plan is applicable to a particular Participant subject to the Code, it is intended that the Plan and any Awards made hereunder shall not provide for the payment of "deferred compensation" within the meaning of Section 409A of the Code or shall be structured in a manner and have such terms and conditions that would not cause such a Participant to be subject to taxes and interest pursuant to Section 409A of the Code. The Plan and any Awards made hereunder shall be administrated and interpreted in a manner consistent with this intent.
- (b) To the extent that any amount or benefit in favour of a Participant who is subject to the Code would constitute "deferred compensation" for purposes of Section 409A of the Code would otherwise be payable or distributable under the Plan or any Award Agreement by reason of the occurrence of a Change of Control or the Participant's disability or separation from service, such amount or benefit will not be payable or distributable to the Participant by reason of such circumstance

unless: (i) the circumstances giving rise to such Change of Control, disability or separation from service meet the description or definition of "change in control event", "disability", or "separation from service", as the case may be, in Section 409A of the Code and applicable proposed or final Treasury regulations thereunder, and (ii) the payment or distribution of such amount or benefit would otherwise comply with Section 409A of the Code and not subject the Participant to taxes and interest pursuant to Section 409A of the Code. This provision does not prohibit the vesting of any Award or the vesting of any right to eventual payment or distribution of any amount or benefit under the Plan or any Award Agreement.

- (c) The Committee shall use its reasonable discretion to determine the extent to which the provisions of this Section 18.5 will apply to a Participant who is subject to taxation under the ITA.

**SCHEDULE "D"**

**AUDIT COMMITTEE CHARTER**

**PINEHURST CAPITAL II INC.  
CHARTER OF THE AUDIT COMMITTEE**

**1. Introduction**

This charter (the "**Charter**") sets forth the purpose, composition, duties and responsibilities of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of Pinehurst Capital II Inc. (the "**Corporation**").

**2. Purpose**

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been designed, implemented and tested by management of the Corporation;
- external audit processes;
- helping directors meet their responsibilities;
- providing better communication between directors and external auditors;
- enhancing the independence of the external auditors;
- increasing the credibility and objectivity of financial reports; and
- strengthening the role of directors by facilitating in-depth discussions among directors, management and the external auditors regarding significant issues involving judgment and impacting quality controls and reporting.

**3. Membership**

**3.1 *Number of Members***

The Committee shall be composed of three or more members of the Board.

**3.2 *Independence of Members***

Subject to any exceptions under applicable law on which the Corporation may rely, each member of the Committee must be independent. "Independent" shall have the meaning, as the context requires, given to it in National Instrument 52-110 Audit Committees, as may be amended from time to time.

**3.3 *Chair***

At the time of the annual appointment of the members of the Committee, the Board may appoint a chair of the Committee. If a Committee chair is not appointed by the Board, the members of the Committee may designate a chair by majority vote of the full Committee membership. The Committee chair shall be a member of the Committee.

### **3.4 *Financial Literacy of Members***

Subject to any exceptions under applicable law on which the Corporation may rely, at the time of his or her appointment to the Committee, each member of the Committee shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

### **3.5 *Term of Members***

The members of the Committee shall be appointed annually by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board.

## **4. Meetings**

### **4.1 *Number of Meetings***

The Committee may meet as many times per year as necessary to carry out its responsibilities.

### **4.2 *Quorum***

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

### **4.3 *Calling of Meetings***

The Committee chair, any member of the Committee, the external auditors, the Chair of the Board, or either Chief Executive Officer or the Chief Financial Officer may call a meeting of the Committee by notifying the Corporation's Corporate Secretary who will notify the members of the Committee.

### **4.4 *Chair***

The Committee chair shall preside over all Committee meetings that he or she attends, and in the absence of the Committee chair, the members of the Committee present may appoint a chair for the meeting from among their number.

### **4.5 *Minutes; Reporting to the Board***

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Committee chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

### **4.6 *Attendance of Non-Members***

The external auditors are entitled to attend and be heard at each Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the Corporation, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor, if one has been appointed, and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

#### **4.7 *Meetings without Management***

As part of each meeting of the Committee, the independent directors shall hold a meeting with the external auditors of the Corporation and an in camera session, at which management and non-independent directors are not present, and the agenda for each Committee meeting will afford an opportunity for such a session.

#### **4.8 *Access to Management and Books and Records***

The Committee shall have unrestricted access to the Corporation's management and employees and the books and records of the Corporation.

### **5. Duties & Responsibilities**

The Committee has, among other things, the following responsibilities, in addition to the duties and responsibilities required of an audit committee by any exchange upon which securities of the Corporation are traded, or any governmental or regulatory body exercising authority over the Corporation, as are in effect from time to time (collectively, the "**Applicable Requirements**"):

#### **5.1 *Financial Statements and Reporting***

- Assist the Board in the discharge of its oversight responsibilities relating to the Corporation's financial statements and its financial reporting practices and system of internal accounting and financial controls, the corporate audit and risk assessment function, the management information systems, the annual external audit of the Corporation's financial statements and the compliance by the Corporation with laws and regulations and its own Code of Ethics and Business Conduct related thereto.
- Review significant accounting and reporting issues, including complex or unusual material transactions and highly judgmental areas, unusual or sensitive matters such as disclosure of related party transactions, significant non-recurring events, significant risks and changes in provisions, estimates or provisions included in any financial statements, and recent professional and regulatory pronouncements, and understand their impact on and presentation in the financial statements.
- Review and discuss with management and the external auditors the results of the audit, including any difficulties encountered and follow-up in that context and ensure that the external auditors are satisfied that the accounting estimates and judgments made by management's selection of accounting principles reflect an appropriate application of generally accepted accounting principles.
- Review the annual financial statements and consider whether there is any reason to believe that they are not complete, adequate, consistent with information known to the members of the Committee, and reflect appropriate accounting principles and, if appropriate, recommend to the Board their approval and disclosure.
- Understand how management develops interim financial information, and the nature and extent of internal and external auditors involvement.

- Review interim financial reports with management and the external auditors before disclosure and filing with regulators, and consider whether there is any reason to believe that they are not complete and consistent with the information known to the members of the Committee and reflect appropriate accounting principles and, if appropriate, recommend to the Board their approval and disclosure.
- Review the Corporation's management discussion and analysis, and other financial information including, without limitation, forward-looking information provided by the Corporation to any governmental body or the public and, if appropriate, recommend to the Board their approval and disclosure.
- Review the Corporation's annual information form, if applicable, and related regulatory filings before release to the extent that same include financial information, and consider the accuracy and completeness of the financial information contained therein and, if appropriate, recommend to the Board their approval and disclosure.
- Review the Corporation's press releases containing financial information including, without limitation, forward-looking information before the Corporation publicly discloses this information and, if appropriate, recommend to the Board their approval and disclosure.
- Review and discuss with management any litigation matters which could significantly affect the financial statements, and review the manner in which these matters are disclosed in the financial statements.
- Review and discuss any regulatory compliance issues which could significantly affect the financial statements.
- Review and discuss any corporate governance issues which could significantly affect the financial statements.
- Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards.
- To the extent not previously reviewed by the Committee, review and, if appropriate, recommend to the Board the approval of all financial statements included in any prospectus, offering memoranda or other offering document and all other financial reports required by regulatory authorities and requiring approval by the Board.
- Review the statement of management's responsibility for the financial statements as signed by the management of the Corporation and included in any published document.
- Obtain explanations for communication to the Board for all significant variances between comparable reporting periods.
- Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of those procedures.
- Monitor the application and update, as necessary, of the Corporation's disclosure policy in relation to financial information.

## **5.2 *Internal Control***

- Review the Corporation's system of internal controls.

- Require management to design, implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures.
- At least annually, consider and review with management and the Corporation's external auditors:
  - the effectiveness of, or weaknesses or deficiencies in: the design or operation of the Corporation's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;
  - any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the Corporation's regulatory filings;
  - any material issues raised by any inquiry or investigation by the Corporation's regulators;
  - the Corporation's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the Corporation to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
  - any related significant issues and recommendations of the external auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls and procedures.
- Recommend and supervise the establishment and operation of an internal audit process.

### **5.3 *External Audit***

- Recommend to the Board the appointment or discharge and compensation of the Corporation's external auditors.
- Oversee the work of the external auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.
- Fill the role as the direct contact for the external auditors and manage the relationship between the Corporation and the external auditors.
- Maintain a free and open line of communication with management, the Chief Financial Officer and the external auditors.
- Resolve disagreements between the external auditors and management as to financial reporting matters brought to the Committee's attention.

- At least annually, discuss with the external auditors such matters as are required by applicable auditing standards.
- At least annually, review a summary of the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review a report prepared by the external auditors in respect of each of the interim financial statements of the Corporation.
- Pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation's external auditors, that the Committee deems advisable in accordance with Applicable Requirements and policies and procedures adopted by the Board.
- At least annually, and before the external auditors issue their report on the annual financial statements: review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Corporation, including non-audit services; discuss any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable rules of professional conduct and other Applicable Requirements.
- At least annually, meet separately with the external auditors to discuss the access to requested information and level of cooperation from management during the performance of their work.
- On a regular basis, review and approve the Corporation's hiring policies regarding partners, employees and former employees of the present and former external auditors of the Corporation.
- Review the qualifications and performance of the lead partner(s) of the external auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

#### 5.4 *Compliance*

- Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation or its subsidiaries of concerns regarding questionable accounting or auditing matters (the "**Complaints Procedures**").
- Review the effectiveness of the Complaints Procedures and follow-up (including disciplinary action) of any instances of non-compliance.
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Obtain regular updates from management and the Corporation's legal counsel regarding compliance matters in respect of the Complaints Procedures.
- Review reports regarding any material communications received from regulators in relation to financial information.

### **5.5 *Other Responsibilities***

- Review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.
- Perform other activities related to this Charter as requested by the Board.
- Investigate and assess any issue that raises significant concern to the Committee, with the assistance, if so required by the Committee, of the Chief Financial Officer and/or the external auditors.

### **6. Oversight Function**

While the Committee is responsible for overseeing the Corporation's financial statements and financial disclosures as set forth in this Charter, the Corporation's management is responsible for the preparation, presentation and integrity of the Corporation's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the Corporation, and the Corporation's external auditors are responsible for auditing the Corporation's annual consolidated financial statements and for reviewing the Corporation's unaudited interim financial statements.

### **7. Reporting**

The Committee chair shall provide a report to the Board on material matters considered by the Committee at the next regular Board meeting following the Committee's meeting. As required by the Applicable Requirements, the Committee should report annually to shareholders, describing the Committee's composition, responsibilities and any other information required by applicable law. The Committee should also review any other report the Corporation issues that relates to the Committee's responsibilities.

### **8. Delegation**

The Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this Charter as the Committee deems appropriate.

### **9. Access to Information and Authority**

The Committee will be granted access to all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at the Corporation's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve and pay any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

### **10. Limitation on Committee's Duties; No Rights Created**

Notwithstanding the foregoing and subject to applicable law, nothing contained in this Charter is intended to require the Committee to ensure the Corporation's compliance with applicable laws or

regulations. In contributing to the Committee's discharge of its duties under this Charter, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the members of the Board are subject. This Charter is a statement of broad policies and is intended as a component of the flexible governance framework within which the Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the Corporation's Articles and By-laws, it is not intended to establish any legally binding obligations.

#### **11. Review of Charter**

Periodically, the Committee shall review and assess the adequacy of this Charter to ensure compliance with any rules of regulations promulgated by any regulatory body and recommend for Board approval any modifications to this Charter as considered advisable.