

**MG CAPITAL CORPORATION**

**-AND-**

**1224395 B.C. LTD.**

**-AND-**

**DLP RESOURCES INC.**

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**AMALGAMATION AGREEMENT**

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**September 26, 2019**

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**SCHEDULES**

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- Schedule B –** Articles of Amalco
- Schedule C –** DLP Properties

**AMALGAMATION AGREEMENT**

**THIS AMALGAMATION AGREEMENT** dated as of the 26th day of September, 2019.

**BETWEEN:**

**MG CAPITAL CORPORATION.**, a body corporate incorporated under the laws of Alberta ("**MG**")

**OF THE FIRST PART**

- AND -

**1224395 B.C. LTD.**, a body corporate incorporated under the laws of British Columbia ("**MG Subco**")

**OF THE SECOND PART**

- AND -

**DLP RESOURCES INC.**, a body corporate incorporated under the laws of British Columbia ("**DLP**" or the "**Corporation**")

**OF THE THIRD PART**

**WHEREAS:**

- A. MG is a "Capital Pool Company" as defined by TSXV Policy 2.4 (as defined herein) and wishes to complete a "Qualifying Transaction" with DLP within the meaning of TSXV Policy 2.4;
- B. DLP is a privately held company that owns mineral exploration properties in British Columbia, subject to the NSR Royalty (as defined herein) on certain of the claims comprising such properties, all as more particularly described in Schedule C hereto; and
- C. the Parties (as defined herein) propose to combine the business and assets of MG and DLP by way of a statutory amalgamation between DLP and MG Subco to create Amalco (as defined herein), and upon completion of the Qualifying Transaction (as defined herein), Amalco shall be a wholly-owned subsidiary of MG.

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the mutual covenants and promises herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

**ARTICLE 1  
INTERPRETATION**

**Section 1.1            Defined Terms**

In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (1) "**ABCA**" means the *Business Corporations Act* (Alberta), RSA, 2000, c. B-9, as may be amended or re-enacted from time to time, including all regulations promulgated thereunder;

- (2) **"Affiliate"** of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The terms **"control"** (including terms **"controlled by"** and **"under common control with"**) means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise;
- (3) **"Amalco"** means the corporation continuing from the Amalgamation;
- (4) **"Amalco Shares"** means the common shares in the capital of Amalco;
- (5) **"Amalgamating Parties"** means MG Subco and DLP;
- (6) **"Amalgamation"** means the amalgamation of the Amalgamating Parties under the provisions of the BCBCA on the terms and conditions set forth in this Agreement;
- (7) **"Amalgamation Application"** means the form of Amalgamation Application which shall include the Articles of Amalgamation and will be in the forms attached as Schedule A;
- (8) **"Applicable Law(s)"** means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decision, rulings or awards, including general principles of common and civil law, and the terms and conditions of any grant of approval, permission, authority or licence of any Government Authority, that, in a context that refers to one or more persons apply to the person or persons, or its or their business, undertaking, property or shares, and emanate from a Government Authority having jurisdiction over the person or persons or its or their business, undertaking, property or shares;
- (9) **"Applicable Securities Laws"** means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder and the polices and rules of the TSXV, as the foregoing may be amended or re-enacted from time to time prior;
- (10) **"Articles of Amalco"** means the Articles of Amalco in the form attached as Schedule B hereto;
- (11) **"BCBCA"** means the *Business Corporations Act* (British Columbia), SBC 2002, c 57, as may be amended or re-enacted from time to time, including all regulations promulgated thereunder;
- (12) **"Bridge Loan"** has the meaning ascribed thereto in Section 4.6(1);
- (13) **"Books and Records"** means all books of account, tax records, sales and purchase records, customer and supplier lists, computer software, formulae, business reports, plans and projections and all other documents, files, correspondence and other information of MG or DLP, as the case may be, (whether in written, printed, electronic or computer printout form);
- (14) **"Business Day"** means any day excepting a Saturday or Sunday or a day recognized as a statutory holiday in Vancouver, British Columbia or Calgary, Alberta;
- (15) **"Certificate of Amalgamation"** means the certificate or other confirmation of filing to be issued by the Registrar pursuant to the BCBCA, giving effect to the Amalgamation;
- (16) **"Claim"** includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, fines, expenses, costs damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured,

disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

- (17) **“Closing”** means the completion of the Qualifying Transaction contemplated in this Agreement;
- (18) **“Closing Date”** means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation;
- (19) **“Closing Time”** means 12:01 a.m. (Vancouver time) on the Closing Date;
- (20) **“Confidential Information”** means, with respect to DLP, confidential or non-public information and trade secrets, including confidential or non-public: proprietary information, know how, technology, technical data, proprietary processes, specifications, formulations, formulae, materials or compositions of matter of any type or kind (patentable or otherwise), marketing reports, customer lists and supplier lists, study reports, regulatory submission summaries and regulatory submission documents, expertise, test data, analytical and quality control data, studies and procedures, schematics, test methodologies, simulation and development tools, prototypes and other devices;
- (21) **“Consent”** means the consent of a contracting party to a change in control of DLP if required by the terms of any contract, or the consent or acceptance of any other Person who is not a Government Authority to the Qualifying Transaction contemplated herein;
- (22) **“Disclosing Party”** has the meaning ascribed thereto in Section 4.4(2);
- (23) **“DLP”** means DLP Resources Inc., a corporation incorporated under the BCBCA;
- (24) **“DLP Filing Statement Information”** means all information in respect of DLP required to be included in the Filing Statement under Applicable Securities Laws and the TSXV Policies;
- (25) **“DLP Financial Statements”** means the draft financial statements of DLP, prepared as of the date of this Agreement and provided to MG on September 23, 2019, for the period ended July 31, 2019;
- (26) **“DLP Financing”** means the private placement by DLP, pursuant to which DLP will issue the DLP FT Shares and the DLP Units prior to the Qualifying Transaction, for minimum aggregate gross proceeds of \$1,100,000, comprised of the sale of a minimum of \$525,000 of DLP FT Shares at a price of \$0.13 per DLP FT Share and a minimum of \$575,000 of DLP Units at a price of \$0.10 per DLP Unit, or such other terms as MG and DLP may mutually agree to;
- (27) **“DLP FT Shares”** means the flow-through shares of DLP to be issued pursuant to the DLP Financing;
- (28) **“DLP Securityholders”** means the holders of DLP Shares, the DLP Warrants and the DLP Flow-Through Shares;
- (29) **“DLP Shareholders”** means the holders of DLP Shares;
- (30) **“DLP Shares”** means the common shares in the capital of DLP;
- (31) **“DLP Units”** means the units to be issued pursuant to the DLP Financing, with each such unit comprised of one DLP Share and one-half of one DLP Warrant;
- (32) **“DLP Warrants”** means the common share purchase warrants to be issued as part of the DLP Units pursuant to the DLP Financing;

- (33) **“Encumbrances”** means any charge, mortgage, lien, pledge, claim, embargo, security interest, legal or conventional, moveable or immovable, specific or floating, whether created or arising by agreement, statute or otherwise, attaching to property, interests or rights, and shall be construed in the widest possible terms and principles known under the law;
- (34) **“Environmental Laws”** means Applicable Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;
- (35) **“Escrow Agent”** means Computershare Trust Company of Canada, the registrar and transfer agent of MG and the escrow agent under the TSXV Escrow Agreements;
- (36) **“Filing Statement”** means the filing statement of MG, to be submitted to the TSXV regarding the Qualifying Transaction, as prepared pursuant to TSXV Policy 2.4;
- (37) **“Final Exchange Bulletin”** means the TSXV bulletin which is issued following completion of the Qualifying Transaction and the submission of all required documentation and that evidences the final TSXV acceptance of the Qualifying Transaction of MG;
- (38) **“GAAP”** means generally accepted accounting principles as set-out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with IFRS, at the relevant time, applied on a consistent basis;
- (39) **“Governing Documents”** means, in respect of each Party, its governing documents, including, as applicable, its certificate and articles of incorporation, as amended, articles of association, as amended and all similar articles, and its by-laws, as amended;
- (40) **“Government Authority”** means any foreign, national, provincial, local or state government, any political subdivision or any governmental, judicial, public or statutory instrumentality, court, tribunal, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the TSXV;
- (41) **“GST”** means the goods and services tax and the harmonized sales tax (if applicable) under the *Excise Tax Act* (Canada);
- (42) **“Haywood Finder’s Fee”** means the finder’s fee payable to Haywood Securities Inc. in connection with its role in connecting MG and DLP in contemplation of the Qualifying Transaction, to be satisfied through delivery to Haywood Securities Inc. of \$192,500, payable in cash or through the issuance of DLP Shares at a price of \$.10 per DLP Share;
- (43) **“IFRS”** means International Financial Reporting Standards adopted by the International Accounting Standards Board as may be amended or re-stated from time to time;
- (44) **“ITA”** means the *Income Tax Act* (Canada), RSC 1985, c 1 (5<sup>th</sup> Supp), as may be amended or re-enacted from time to time, including the regulations promulgated thereunder;
- (45) **“Legal Proceeding”** means any Claim, action, suit, complaint, demand, litigation, arbitration, prosecution, contest, hearing, inquiry, investigation, inquest, audit or other proceeding of any nature, civil, criminal, regulatory or otherwise, in law or in equity, pending or threatened, by or before any court, tribunal, arbitrator or other Government Authority;

- (46) **“Liability”** means any liability or obligations of any kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due);
- (47) **“Losses”** shall mean, in respect of any matter, losses, damages, Legal Proceedings, Claims, prosecutions, judgments, costs, expenses (including all reasonable legal fees and disbursements), fines and penalties arising directly as a consequence of that matter, but excluding loss of profit and opportunity and indirect consequential and extraordinary damages;
- (48) **“Material Adverse Change”** means, in respect of a Party or its Subsidiary (if any), any one or more changes, events or occurrences, and **“Material Adverse Effect”** means in respect of a Party or its Subsidiary (if any), an effect, which, in either case, either individually or in the aggregate with all other fact, changes, circumstances, effects, event or occurrences is, or would reasonably be expected to: (i) be, material and adverse to the business, operations, results of operations, assets, capital, liabilities (contingent or otherwise), privileges or financial condition of that Party or a Subsidiary (if any); or (ii) prevent a Party from performing its obligations under this Agreement in any material respect, other than any change, event, occurrence or effect: (a) relating to the global economy or financial, securities or commodities markets in general in the world including, without limitation, changes in currency exchange rates or interest rates; (b) relating to any generally applicable change in Applicable Laws (other than Orders, judgments or decrees made against the Party or a Subsidiary (if any)); or (c) any natural disaster or the commencement, occurrence or continuation of any war, armed hostility or act of terrorism, provided, however that such matter referred to in clause (a), (b), or (c) above does not have a materially disproportionate effect to the Party or a Subsidiary (if any) compared to other companies of similar size operating in the same industry as that Party;
- (49) **“material fact”** has the meaning ascribed thereto in the *Securities Act* (British Columbia), as the same may be amended or re-enacted from time to time, including all regulations promulgated thereunder;
- (50) **“MG”** means MG Capital Corporation., a corporation incorporated pursuant to the ABCA;
- (51) **“MG Financial Statements”** means the audited annual financial statements of MG for the year ended December 31, 2018, together with the auditor’s report thereon and the notes thereto, and the unaudited interim financial statements of MG for the period ended June 30, 2019 and the notes thereto;
- (52) **“MG Options”** means the options to acquire MG Shares granted under the MG Stock Option Plan;
- (53) **“MG Parties”** means MG and MG Subco;
- (54) **“MG Shareholder”** means a registered holder of MG Shares, from time to time, and **“MG Shareholders”** means all of such holders, collectively;
- (55) **“MG Shares”** means the common shares in the capital of MG;
- (56) **“MG Stock Option Plan”** means the current option plan of MG;
- (57) **“MG Subco”** means 1224395 B.C. Ltd. a wholly-owned subsidiary of MG incorporated under the BCBCA for the purposes of completing the Qualifying Transaction;
- (58) **“MG Subco Shares”** means the common shares in the capital of MG Subco;
- (59) **“Misrepresentation”** has the meaning ascribed thereto under Applicable Securities Laws;

- (60) **“NSR Royalty”** means the 1% net smelter royalty on mineral claims JR 1, JR 2 and JR 3 of the Aldridge 1 Property in favour of Robin Sudo and James Stypula;
- (61) **“Order”** means any order (including any judicial or administrative order and the terms of any administrative consent), judgment, injunction, decree, ruling or award of any court, arbitrator or Government Authority;
- (62) **“Ordinary Course”** means, with respect to an action taken by a Party, that such action is consistent with the past practice of such Party’s business and is taken in the ordinary course of the normal day-to-day operation of its business and operations;
- (63) **“Outside Date”** means 90 days from the date of this Agreement;
- (64) **“Party”** means each of MG, DLP and MG Subco and **“Parties”** means all of them, collectively;
- (65) **“Permitted Encumbrances”** shall mean: (i) Encumbrances for taxes, assessments or other charges not yet due and payable; (ii) statutory Encumbrances of landlords, carriers, warehousemen, mechanics, materialmen and other similar liens imposed by Applicable Law, which are incurred in the Ordinary Course; (iii) Encumbrances to secure performance obligations incurred in connection with tenders, statutory obligations, surety, stay, customs and appeals (or commitments in respect thereto), bids, government contracts, trade contracts, performance and return of money bonds and other similar performance obligations; and (iv) deposits made in the Ordinary Course;
- (66) **“Person”** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, unincorporated association or organization, Government Authority, syndicate or other entity, whether or not having legal status;
- (67) **“Properties”** means the Aldridge Property and the Redburn Creek Property, two exploration properties in British Columbia held by DLP, subject to the NSR Royalty, all as more particularly described in Schedule C hereto;
- (68) **“Qualifying Transaction”** means the reverse takeover of MG by DLP whereby MG will acquire 100% of the issued and outstanding securities of DLP by way of a “three cornered” amalgamation involving MG, DLP and MG Subco;
- (69) **“Receiving Party”** has the meaning ascribed thereto in Section 4.4(2);
- (70) **“Registrar”** means the Registrar of Corporations or a Deputy Registrar of Corporations for the Province of British Columbia duly appointed under the BCBCA;
- (71) **“Regulatory Approval”** means any approval, consent, waiver, permit, order or exemption from any Government Authority having jurisdiction or authority over any Party or the Subsidiary of any Party which is required or advisable to be obtained in order to permit the Qualifying Transaction to be effected, including, without limitation, approval of the TSXV and **“Regulatory Approvals”** means all such approvals, consents, waivers, permits, orders or exemptions;
- (72) **“Replacement Warrants”** means the economically equivalent warrants of MG to be issued to the holders of DLP Warrants, as more particularly described in Section 2.2(1)(vii) hereof;
- (73) **“Reporting Jurisdictions”** means Alberta and British Columbia;
- (74) **“Resulting Issuer”** means the issuer existing upon issuance of the Final Exchange Bulletin;

- (75) **“Resulting Issuer Shares”** means common shares in the capital of the Resulting Issuer, and, for greater certainty, includes the MG Shares to be issued in exchange for DLP Shares at Closing of the Qualifying Transaction;
- (76) **“Securities Authorities”** means the Alberta Securities Commission, the British Columbia Securities Commission, and appropriate securities commissions, similar regulatory authorities in Canada and each of the applicable provinces and territories thereof, and including the TSXV;
- (77) **“Securities Exchange”** means the exchange of DLP Shares for MG Shares and other steps to be completed pursuant to Section 2.2(1) hereof;
- (78) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators;
- (79) **“Subsidiary”** has the meaning ascribed thereto in the BCBCA;
- (80) **“Tax”** and **“Taxes”** means, with respect to any Person, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all value added taxes, GST, capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, pension plan premiums for government administered pension plans; excise, severance, social security premiums, workers compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;
- (81) **“Tax Laws”** means any Applicable Law that imposes Taxes or deals with the administration or enforcement of Liabilities for Taxes;
- (82) **“Tax Returns”** means all reports, estimates, elections, notices, filings, designations, forms, declarations of estimated tax, information statements and returns relating to, or required to be supplied to any Taxing Authority in connection with, any Taxes (including any attached schedules, estimated tax returns, withholding tax returns, and information returns and reports);
- (83) **“Taxing Authority”** means any Government Authority responsible for the imposition of any Tax (domestic or foreign) and includes the Canada Revenue Agency;
- (84) **“TSXV”** means the TSX Venture Exchange;
- (85) **“TSXV Escrow Agreement”** means an escrow agreement to be entered into between certain DLP Securityholders, the Resulting Issuer and the Escrow Agent pursuant to which certain securities held by various DLP Securityholders will be subject to escrow in accordance with applicable TSXV Policies;
- (86) **“TSXV Policies”** means policies of the TSXV, as may be amended or restated from time to time;
- (87) **“TSXV Policy 2.4”** means TSXV Policy 2.4 – *Capital Pool Companies*; and
- (88) **“Working Capital”** means as of a specific date, the aggregate current assets of MG less the current liabilities of MG and all accounts receivable of MG over 90 days past due.

**Section 1.2 Singular, Plural, etc.**

Words in this Agreement importing the singular number include the plural and vice versa and words importing gender include the masculine, feminine and neuter genders.

**Section 1.3 Deemed Currency**

In the absence of a specific designation of any currency, any undescribed dollar amount herein shall be deemed to refer to the lawful money of Canada.

**Section 1.4 Headings, etc.**

The division of this Agreement into Articles and Sections, the provision of a table of contents hereto and the insertion of the recitals and headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement to Articles and Sections refer to Articles and Sections of and to this Agreement in which such reference is made.

**Section 1.5 Date for any Action**

In the event that any date on which any action is required to be taken hereunder by any of the Parties hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

**Section 1.6 Certain Phrases, Derivatives, etc.**

In this Agreement (i) the words "including" and "includes" mean "including (or includes) without limitation", and (ii) the phrase "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of", and (iii) in the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word "from" means "from and including" and the words "to" and "until" each mean "to but excluding".

**Section 1.7 Accounting Terms**

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with IFRS, such reference will be deemed to be to the IFRS from time to time approved by the Canadian Institute of Chartered Accountants, the Canadian Accounting Standards Board or any successor institute, and applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

**Section 1.8 Statutory References**

Any reference in this Agreement to any statute or any Section thereof will, unless otherwise expressly stated, be deemed to be a reference to such statute or Section as amended, restated or re-enacted from time to time. References to any agreement or document will be to such agreement or document (together with all appendices, schedules and exhibits thereto), as it may have been or may hereafter be amended, supplemented, replaced or restated from time to time.

**Section 1.9 Knowledge**

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of DLP or words to like effect, it shall be deemed to refer to the actual knowledge of James Stypula, Chief Executive Officer of DLP, after due inquiry. Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of MG or words to like effect, it shall be deemed to refer to the actual knowledge of Peter L. McKeown, Chief Executive Officer, Chief Financial Officer and Corporate Secretary of MG, after due inquiry.

### **Section 1.10 Incorporation of Schedules**

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

- Schedule A – Amalgamation Application
- Schedule B – Articles of Amalco
- Schedule C – DLP Properties

## **ARTICLE 2 THE AMALGAMATION**

### **Section 2.1 Agreement to Amalgamate**

- (1) Each Party hereby agrees that at such time as is specifically indicated below in this Section 2.1, and subject to the terms and conditions of this Agreement, it shall take the following steps indicated for it:
  - (i) on the Closing Date, DLP and MG Subco hereby agree to amalgamate by way of statutory amalgamation under Section 269 of the BCBCA on the terms and subject to the conditions contained in this Agreement; and
  - (ii) as soon as practicable after the Closing Date, in accordance with normal commercial practice, MG shall issue DRS advice statements representing the appropriate number of securities required to be issued in connection with the Qualifying Transaction as set out in Section 2.2(1) below.

### **Section 2.2 Securities Exchange and Related Matters**

- (1) **Securities Exchange.** The Parties shall cause the Amalgamation Application to be filed on the Closing Date to effect the Amalgamation. On the Amalgamation:
  - (i) DLP and MG Subco will amalgamate and continue as Amalco;
  - (ii) all of the property and assets of each of MG Subco and DLP will be the property and assets of Amalco, and Amalco will be liable for all of the liabilities and obligations of each of MG Subco and DLP;
  - (iii) the MG Subco Shares will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each MG Subco Share;
  - (iv) Amalco will be a wholly-owned subsidiary of the MG, now the Resulting Issuer;
  - (v) each DLP Share will be cancelled and replaced by one fully paid and non-assessable Resulting Issuer Share;
  - (vi) as consideration for the issuance of the Resulting Issuer Shares to effect the Amalgamation, Amalco will issue to the Resulting Issuer one Amalco Share for each Resulting Issuer Share issued to the previous holders of DLP Shares; and
  - (vii) at the Closing Time, each outstanding DLP Warrant, if any, will be cancelled and replaced by one Replacement Warrant.
- (2) **No Fractional Securities.** No fractional Resulting Issuer Shares will be issued pursuant to this Agreement. In the event that a DLP Securityholder would otherwise be entitled to a fractional security hereunder, the

number of securities issued to such DLP Securityholder shall be rounded up to the next greater whole number of shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all DLP securities registered in the name of or beneficially held by such DLP Securityholder or their nominee shall be aggregated.

- (3) **Restrictions on Securities.** The Parties acknowledge and agree that the foregoing securities of the Resulting Issuer issued pursuant to the terms and conditions provided herein will be subject to compliance with Applicable Securities Laws. In particular, DLP acknowledges and agrees that in accordance with the policies of the TSXV, securities of the Resulting Issuer issued to certain DLP Securityholders will be subject to escrow and/or seed share resale restrictions under the policies of the TSXV and Applicable Securities Laws. DLP shall use commercially reasonable efforts to arrange for each former DLP Securityholder that is required to have securities of the Resulting Issuer issued pursuant to Section 2.2(1) escrowed in accordance with TSXV Policies, to enter into and deliver to Computershare Trust Company of Canada for filing with the TSXV a TSXV Escrow Agreement in respect of their Resulting Issuer securities.

### **Section 2.3 Statutory Amalgamation Requirements**

The Parties hereby agree as follows with respect to matters which the BCBCA requires, which form part of this Agreement.

- (1) **Name.** The name of Amalco shall be "DLP Resources Inc." or such other name as may be agreed upon by the Parties in writing.
- (2) **Registered and Records Office.** The mailing and delivery addresses of the registered office and records office of Amalco shall be 10<sup>th</sup> Floor, 595 Howe Street, Vancouver, British Columbia V6C 2T5.
- (3) **Authorized Capital.** The authorized share structure of Amalco shall consist of an unlimited number of common shares without par value, with the rights and restrictions set out in the Articles of Amalgamation included in the Amalgamation Application.
- (4) **Restrictions on Business.** There shall be no restrictions on the business which Amalco is authorized to carry on.
- (5) **Restrictions on Share Transfer.** Unless and for so long as Amalco is not a public company, no Amalco Shares may be transferred without the written consent of the directors of Amalco, which consent may be withheld at their sole discretion and without reason therefor.
- (6) **Fiscal Year End.** The fiscal year end of Amalco shall be December 31 of each calendar year.
- (7) **Number of Directors.** The number of directors of Amalco shall, until changed in accordance with the Articles of Amalco, be one.
- (8) **Initial Director.** The first and sole director of Amalco shall be James Stypula.
- (9) **Initial Officer.** The first and sole officer of Amalco shall be James Stypula, to be appointed as the Chief Executive Officer of Amalco.
- (10) **Auditor.** The auditor of Amalco shall be the auditor of MG, unless the appointment of an auditor is waived.

- (11) **Amalgamation Application.** The form of Amalgamation Application to be filed with the Registrar in connection with the Amalgamation is attached as Schedule A hereto.
- (12) **Articles.** The Articles of Amalco, until repealed, amended or altered, shall be in the form attached as Schedule B hereto.
- (13) **Stated Capital.** Upon completion of the Qualifying Transaction, the stated capital of Amalco will be equal to the aggregate sum of the stated capital of the shares of each of the Amalgamating Parties.
- (14) **Filing of Documents.** Upon the shareholders of each of the Amalgamating Parties approving this Agreement by special resolution in accordance with the BCBCA, the Amalgamating Parties shall jointly file with the Registrar under the BCBCA, the Amalgamation Application in the form of Schedule A attached hereto and such other documents as may be required to effect the Amalgamation.

### **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

#### **Section 3.1 Representations of DLP**

DLP represents and warrants to MG and MG Subco as follows, and acknowledges and confirms that MG and MG Subco are each relying upon the representations and warranties in connection with the transactions contemplated by this Agreement, which representations and warranties are made as of the date of this Agreement and as of the Closing Date:

#### ***Corporate Matters***

- (1) **Incorporation and Qualification.** DLP is a corporation duly incorporated and existing under the statutes of its applicable jurisdiction of incorporation, and DLP has the corporate power to own and operate its assets, carry on its business, and DLP has the corporate power to enter into and perform its obligations under this Agreement, and DLP is current and up-to-date with all corporate filings required to be made by it in each applicable jurisdiction.
- (2) **Qualification to Conduct Business.** DLP has all requisite corporate capacity, power and authority, and is duly qualified, licensed or registered to or possesses all material certificates, authority, permits and licenses issued by the appropriate Government Authority to conduct its business as now conducted by it.
- (3) **Validity and Enforceability of the Agreement.**
  - (i) DLP has full corporate power, capacity and authority to undertake all steps of the Qualifying Transaction contemplated in this Agreement and to carry out its obligations under this Agreement.
  - (ii) The transactions under this Agreement do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of the Governing Documents of DLP or any contracts or instruments to which DLP is a party.
  - (iii) The transactions under this Agreement do not and will not result in the violation of any Applicable Law or judgment, decree, order, or award of any Government Authority applicable to DLP.

- (4) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by DLP, and constitutes legal, valid and binding obligations of DLP, enforceable against DLP in accordance with its terms subject only to any limitation under Applicable Laws relating to: (i) bankruptcy, winding-up, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (5) **Authorized and Issued Securities.** The authorized and issued capital of DLP consist of an unlimited number of DLP Shares, of which 32,000,000 DLP Shares are issued and outstanding as of the date hereof. All DLP Shares have been duly issued and shall be outstanding as fully paid and non-assessable. All of the DLP Shares have been issued in compliance with all Applicable Laws including, without limitation, Applicable Securities Laws.
- (6) **Agreements to Acquire Securities.** Except as contemplated by this Agreement, as of the date hereof DLP is neither a party to nor has granted any agreement, warrant, option or right or privilege capable of becoming an agreement (whether by Applicable Law, pre-emptive or contractual), for the purchase, subscription or issuance of any shares or securities convertible into or exchangeable for shares.
- (7) **No Subsidiaries.** DLP holds no shares or other ownership, equity or proprietary interests in any other Person, including any joint venture.
- (8) **Required Approvals.** The entering into and the performance by DLP of the transactions contemplated herein:
  - (i) do not require any Regulatory Approval, except that which may be required under by the TSXV and under Applicable Securities Laws;
  - (ii) do not contravene any statute or regulation of any Government Authority which is binding on DLP, where such contravention would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of DLP; and
  - (iii) do not and will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the Governing Documents or resolutions of DLP or any mortgage, note, indenture, contract or agreement, instrument, lease or other document to which DLP is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of DLP.
- (9) **Corporate Records.** The Books and Records of DLP that have been provided to MG are complete and accurate and all corporate proceedings and actions reflected in such Books and Records have been conducted or taken in compliance with all Applicable Laws and with the Governing Documents of DLP, as applicable.
- (10) **Voting.** DLP is not a party to any agreement nor is DLP aware of any agreement which in any manner affects the voting control of any of the DLP Shares or other securities of DLP.
- (11) **No Shareholders Agreements.** DLP is not aware of any shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the DLP Shares.
- (12) **Accurate Disclosure.** No representation, warranty or statement of DLP in this Agreement or the Filing Statement contains or will contain at the Closing Time any untrue statement of a material fact or omits or

will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

**Financial Matters**

- (13) **Financial Statements.** The DLP Financial Statements, including the notes thereto, have been prepared in accordance with GAAP, applied on a basis consistent with past practices, and present fairly, in all material respects:
- (i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of DLP as at the dates thereof;
  - (ii) the income and expenses of DLP during the periods covered by the DLP Financial Statements; and
  - (iii) do not omit to state any material fact that is required by GAAP or by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading.
- (14) **Bankruptcy.** DLP has not made any assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. DLP has not initiated proceedings with respect to a compromise or arrangement with their respective creditors, or for winding-up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of DLP or its assets and no execution or distress has been levied on any such assets, nor have proceedings been commenced in respect of any of the foregoing.
- (15) **Absence of Undisclosed Liabilities.** Except to the extent as reflected or reserved against in the DLP Financial Statements, or incurred in the Ordinary Course since the most recent date of the DLP Financial Statements, DLP does not have any material outstanding indebtedness or any material Liabilities or obligations (whether accrued, accruing, absolute, contingent or otherwise) and, except for such Liabilities or obligations which may be contemplated hereunder or which MG approves before being incurred, any Liabilities or obligations incurred in the Ordinary Course since the most recent date of the DLP Financial Statements, will not have had a Material Adverse Effect on the financial condition of DLP as at the Closing Date.
- (16) **No Liabilities Resulting in Encumbrances.** There is no indebtedness or Liability of DLP to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance, except a Permitted Encumbrance, upon any of the assets of DLP.
- (17) **Finder's Fees.** Except for commissions to be paid to finders or agents pursuant to the DLP Financing and the Haywood Finder's Fee, there is no person, firm or corporation acting or purporting to act at the request of DLP, who is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein.
- (18) **Indebtedness.** DLP is not a party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or any other liability or any agreement, contract or commitment therefor.

**General Matters Relating to the Business of DLP**

- (19) **Business and Assets.** DLP is a mineral exploration company and has not conducted any business operations other than the acquisition or exploration of the Properties. Other than as disclosed in the DLP Financial Statements, DLP does not hold, possess or have any undertaking, property or assets of any material value.

- (20) **No Material Adverse Change.** Since the date of incorporation of DLP, there has not been any Material Adverse Change in the affairs, operations or condition of DLP, or its assets or business, and no event has occurred or circumstance exists which may result in such a Material Adverse Change.
- (21) **Compliance with Applicable Laws.** DLP is conducting its business in compliance with all Applicable Laws other than acts of non-compliance which, in the aggregate, are not material, and DLP has not received notice that it has not conducted its business or any past businesses in compliance with Applicable Laws.
- (22) **Legal Proceedings.** There are no Legal Proceedings pending or, to the knowledge of DLP, contemplated or threatened, to which DLP or any directors or officers of DLP is a party or to which the Properties are or may become subject. DLP is not subject to any judgment, Order or decree entered in any lawsuit or proceeding, nor has DLP settled any claim prior to being prosecuted in respect of it. DLP is not a plaintiff or complainant in any Legal Proceedings.
- (23) **Ownership and Title to the Properties.** DLP is the owner of and has good and marketable title to all of the assets that it purports to own (whether real, personal, or mixed or whether tangible or intangible), and has legal and beneficial ownership of its assets, free and clear of all Encumbrances whatsoever except for Permitted Encumbrances except as would not have a Material Adverse Effect.
- (i) DLP owns, exclusively possesses or has obtained, and is in compliance with, all concessions, licences, permits, certificates, orders, grants and other authorizations of or from any Government Authority necessary to conduct its respective businesses relating to its properties (including the Properties) as they are currently being conducted and as they are presently contemplated.
- (ii) (i) the Properties (A) are accurately and completely described in Schedule C attached hereto, and (B) have been properly located and recorded in compliance with Applicable Law and are comprised of valid and subsisting mineral concessions; (ii) there are no mineral concessions or other property rights of DLP other than those set out in Schedule C; (iii) all of the mineral claims or other rights comprising the Properties have been validly located and recorded in compliance with Applicable Laws and are comprised of valid and subsisting mineral claims, which are in good standing under Applicable Laws; (iv) DLP has the exclusive right to deal with the Properties and DLP has a 100% legal and beneficial good, valid and exclusive ownership right, title and interest in and to, and actual and exclusive possession of, the permits relating to the Properties, free and clear of all title defect or Encumbrance except for Permitted Encumbrances; (v) no person other than DLP has any agreement, option, right of first refusal or right, title or interest or right capable of becoming an agreement, option, right of first refusal or right, title or interest in the Properties; (vi) neither the Properties nor any minerals or product derived from the Properties are subject to an earn-in rights, rights of first refusal, royalty or royalty interest or similar provisions affecting DLP's interests in the Properties; (vii) DLP has not received any notice, whether written or oral, from any Government Authority or any person with jurisdiction or applicable authority of any revocation or intention to revoke its interest in the Properties; (viii) the Properties are in good standing under Applicable Law and are adequate and suitable for the purposes for which they are currently being used and all work required to be performed has been performed and all taxes, fees, expenditures and other payments in respect thereof have been paid and all filings in respect thereof have been made; and (ix) all Taxes which are due and payable, local improvements, assessment rates, utilities and any and all other payments to or assessments of any Government Authority having jurisdiction in respect of the Properties have been made by DLP in respect of the Properties.
- (iii) There are no adverse claims, actions, suits or proceedings, including without limitation adverse claims made by first nations groups, that have been commenced or, to the knowledge of DLP, that are pending or threatened, affecting or which could affect the title to or right to explore or

develop any of the Properties, including the title to or ownership by DLP of any of the foregoing, which might involve the possibility of any judgement or liability affecting the Properties.

- (iv) Neither DLP nor any any predecessor, subsidiary or Affiliate thereof, has any liability or obligation, or to the knowledge of DLP, potential liability or obligation (pursuant to indemnification obligations or pursuant to any guarantee or otherwise) in respect of or relating to any assets, rights or interests (including any interests in mineral properties) which were previously held or used by DLP and which were sold, assigned or otherwise transferred to any other person or abandoned prior to the date hereof.
  - (v) DLP has made available to MG all material information in DLP's possession or under its control relating to the Properties.
- (24) **No Option on Assets.** No Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from DLP of any of the material assets of DLP, including the Properties, other than as contemplated for the purposes of this Agreement.
- (25) **Environmental Matters.**
- (i) DLP and the Properties have been and are, operated in compliance with all applicable material Environmental Laws;
  - (ii) there is no Environmental Law Claim pending or, to the knowledge of DLP threatened against DLP;
  - (iii) DLP has not released any hazardous substance at, on or near the Properties as a result of the conduct of its business or otherwise in any manner that will give rise to a material liability if such release is not permitted by Environmental Law;
  - (iv) the current and past operations of DLP has been and is in material compliance with all Environmental Laws, and to the knowledge of DLP there are no facts that could give rise to a notice of non-compliance by DLP with any Environmental Law, except for, in respect of all of the above, such non-compliance as would not individually or in the aggregate be reasonably like to result in or give rise to any material Liability to DLP or materially impair the operations of its business; and
  - (v) DLP has not been convicted of an offence or been subject to any Legal Proceeding or been subject to any order or other sanction requiring investigation or remediation of any real property or been fined or otherwise sentenced for non-compliance with any Environmental Laws, and have not settled any prosecution or other proceeding in relation to any alleged non-compliance with any Environmental Laws short of conviction in connection therewith.
- (26) **Employees.** All amounts due or accrued as of the date of the DLP Financial Statements for all salary, wages, bonuses, commissions, vacation pay, and other employee benefits in respect of any employee, director, independent contractor, consultant or agent of DLP are accurately reflected in the DLP Financial Statements.
- (27) **Compliance with Employment Laws.** The business of DLP has been and is being operated in compliance, in all material respects, with Applicable Laws relating to employment, including employment standards, occupational health and safety, human rights, labour relations, workers compensation, pay equity and employment equity and DLP has not received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation and DLP has not been reassessed in any material respect under such legislation.

(28) **Employee Plans.** DLP currently does not have any benefit plans for employees.

***Taxes and Other Matters***

(29) **Taxes.**

- (i) DLP has duly and timely filed all Tax Returns required to be filed with the appropriate Government Authority, and all such Tax Returns are correct and complete in all material respects and reflect accurately all liability for Taxes of DLP for the periods covered thereby.
- (ii) DLP has paid all Taxes which are due and payable (including all instalments on account of Taxes) within the time required by Applicable Law, and have paid all assessments and reassessments they have received in respect of Taxes. DLP has made full and adequate provision in the Books and Records and the DLP Financial Statements for all Taxes of DLP for the periods covered by such DLP Financial Statements that have not been paid whether or not shown as being due on any Tax Returns. Since the publication date for such DLP Financial Statements, no material liability in respect of Taxes not reflected in such DLP Financial Statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the Ordinary Course. DLP has not received any refund of Taxes to which it was not entitled.
- (iii) DLP has withheld and collected all amounts required by Applicable Law to be withheld or collected by them on account of Taxes and have remitted all such amounts to the appropriate Government Authority within the time prescribed under any Applicable Law.
- (iv) There are no claims, actions, suits, audits, proceedings, investigations or other actions pending, or to the knowledge of DLP threatened, against DLP in respect of Taxes and, to the knowledge of DLP, there is no reason to expect that any such claim, action, suit, audit, proceeding, investigation or other action may be asserted against DLP by a Government Authority. DLP is not negotiating any final or draft assessment or reassessment in respect of Taxes with any Government Authority and DLP has not received any indication from any Government Authority that an assessment or reassessment is proposed or may be proposed in respect of any Taxes. There are no facts of which DLP is aware which would constitute grounds for the assessment or reassessment of Taxes payable by DLP.
- (v) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any Tax Return by, or any payment of Taxes by, DLP.
- (vi) To the knowledge of DLP, there are no liens for Taxes upon any property or asset of DLP (whether owned or leased), except liens for current Taxes not yet due.
- (vii) DLP is not subject to any liability for Taxes of any other Person. DLP is not subject to any joint venture, partnership or other arrangement or contract that is treated as a partnership for income tax purposes in any jurisdiction. DLP is not a party to any agreement, understanding, or arrangement relating to allocating or sharing any amount of Taxes.
- (viii) DLP is a "taxable Canadian corporation" for the purposes of the ITA.
- (ix) No claim has ever been made by a Government Authority in respect of Taxes in a jurisdiction where DLP does not file Tax Returns that DLP is or may be subject to Tax by that jurisdiction.

- (30) **Indebtedness to DLP Securityholders.** Except for the payment of salaries and other compensation payable in the Ordinary Course and reimbursement for out-of-pocket expenses in the Ordinary Course, DLP is not indebted to the DLP Securityholders (or any Affiliates or associates thereof), or any of their directors, officers or employees (or any Affiliate or associate thereof).
- (31) **Filing Statement.** All information in the DLP Filing Statement Information, shall, as of the date of the Filing Statement, be true, complete and accurate in all material respects and shall not contain any misrepresentation and shall contain all information in respect of DLP required by Applicable Securities Laws to be included in the Filing Statement.

### **Section 3.2 Representations of MG and MG Subco**

Each of MG and MG Subco represents and warrants as follows to DLP and acknowledges and confirms that DLP is relying on such representations and warranties in connection with the transactions contemplated by this Agreement, which representations and warranties are made as of the date of this Agreement and as of the Closing Date.

#### ***Corporate Matters***

- (1) **Incorporation and Qualification.** Each of MG and MG Subco is a corporation duly incorporated and existing under the statutes of their applicable jurisdiction of incorporation, and each of MG and MG Subco has the corporate power to own and operate their respective assets, carry on their respective business, and has the corporate power to enter into and perform its obligations under this Agreement, and MG and MG Subco are both current and up to date with all corporate filings required to be made by it in each applicable jurisdiction.
- (2) **Validity and Enforceability of the Agreement.**
- (i) Each of MG and MG Subco has full corporate power, capacity and authority to undertake all steps of the Qualifying Transaction contemplated in this Agreement, and to carry out its obligations under this Agreement.
  - (ii) The transactions under this Agreement do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any of the terms or provisions of the Governing Documents of MG or MG Subco, or any contracts or instruments to which MG or MG Subco is a party.
  - (iii) The transactions under this Agreement do not and will not result in the violation of any Applicable Law or judgment, decree, order, or award of any Government Authority applicable to MG or MG Subco.
- (3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by MG and MG Subco, as applicable, and constitute legal, valid and binding obligations of MG and MG Subco, as applicable, enforceable against MG and MG Subco in accordance with its terms subject only to any limitation under Applicable Laws relating to (i) bankruptcy, winding-up insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights, and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (4) **Authorized and Issued Capital.**

- (i) The authorized capital of MG consists of an unlimited number of common shares without par value, of which 5,510,000 MG Shares are issued and outstanding as fully paid and non-assessable as of the date of this Agreement.
  - (ii) The authorized capital of MG Subco consists of an unlimited number of common shares without par value, of which one common share is issued and outstanding as fully paid and non-assessable as of the date of this Agreement.
- (5) **Agreements to Acquire Securities.** As of the date hereof neither MG nor MG Subco is a party to and/or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement (whether by Applicable Law, pre-emptive or contractual), for the purchase, subscription or issuance of any shares or securities convertible into or exchangeable for shares, other than 790,000 MG Options.
- (6) **Subsidiaries.** Other than MG Subco, MG holds no shares or other ownership, equity or proprietary interests in any other Person, including any joint venture.
- (7) **Related Party Transactions.** MG is not a party to or bound by any agreement with, is not indebted to, and no amount is owing to MG by, any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of MG or any Persons not dealing at arm's length with any of the foregoing. Since the most recent date of the MG Financial Statements, MG has not made or authorized any payments to any officers, former officers, directors, former directors, shareholders, former shareholders, employees or former employees of MG or to any Persons not dealing at arm's length with any of the foregoing.
- (8) **Ownership of MG Subco.** MG is the registered and beneficial owner of all of the issued and outstanding common shares of MG Subco and neither MG nor MG Subco is a party to or has granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any securities of MG Subco or securities convertible into or exchangeable for any securities of MG Subco.
- (9) **Reporting Issuer Status.** MG is a reporting issuer, or the equivalent thereof, under the Applicable Securities Laws of the Reporting Jurisdictions and, to the knowledge of MG, is not currently in default of any requirement of the Applicable Laws and Applicable Securities Laws each of the Reporting Jurisdictions and other regulatory instruments of the Securities Authorities in such provinces.
- (10) **TSXV Matters.** The issued and outstanding MG Shares are listed and posted for trading solely on the TSXV. Other than in connection with the Qualifying Transaction contemplated by this Agreement, there is no order ceasing or suspending trading in any securities of MG is currently outstanding and to the knowledge of MG, no proceedings for such purpose are pending or threatened by the TSXV or any Securities Authority.
- (11) **Corporate Records.** The Books and Records of MG and MG Subco are complete and accurate in all material respects and all corporate proceedings and actions reflected in such Books and Records have been conducted or taken in compliance with all Applicable Laws and with the Governing Documents of MG or MG Subco, as applicable.
- (12) **Voting.** MG is not a party to any agreement nor is MG aware of any agreement which in any manner affects the voting control of any of the MG Shares or other securities of MG.
- (13) **No Shareholders Agreements.** MG is not aware of any shareholders' agreements, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the MG Shares.

- (14) **Filings.** All filings and fees required to be made by MG and MG Subco pursuant to Applicable Laws have been made and paid and such filings were true and accurate as at the respective dates thereof and MG has not filed any confidential material change reports.
- (15) **Options, etc.** Other than pursuant to the outstanding MG Options or the terms of this Agreement, MG or MG Subco is not party to and has not granted any agreement, warrant, option or right or privilege capable of becoming an agreement, for the purchase, subscription or issuance of any MG Shares or securities convertible into or exchangeable for MG Shares.
- (16) **Authorization for MG Business.** Each of MG and MG Subco has all requisite corporate capacity, power and authority, and possesses all authorizations issued by the appropriate Government Authority necessary to conduct the business as now conducted by it and which it shall conduct and to own its assets and is in compliance in all material respects with such authorizations and has not received any notice of Legal Proceedings relating to the revocation or modification of any such authorization which, singly or in the aggregate, if the subject of an unfavourable decision, order, finding or ruling, would materially and adversely affect the conduct of the business, operations, financial condition, income or future prospects of MG and MG Subco, taken as a whole.
- (17) **Required Approvals.** The entering into and the performance by MG and MG Subco of the transactions contemplated herein and in the Filing Statement:
- (i) does not require any Regulatory Approval, except that which may be required under by the TSXV and under Applicable Securities Laws;
  - (ii) will not contravene any statute or regulation of any Government Authority which is binding on MG or MG Subco, where such contravention would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of MG and MG Subco, taken as a whole; and
  - (iii) will not result in the breach of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the Governing Documents or resolutions of MG or MG Subco or any debt instrument, mortgage, note, indenture, contract or agreement, instrument, lease or other document to which MG is a party, or any judgment, decree or order or any term or provision thereof, which breach, conflict or default would materially and adversely affect the business, operations, capital or condition (financial or otherwise) of MG and MG Subco, taken as a whole.

***Financial Matters***

- (18) **Financial Statements.** The MG Financial Statements, including the notes thereto, have been prepared in accordance with GAAP, applied on a basis consistent with past practices, and present fairly, in all material respects:
- (i) the assets, liabilities, (whether accrued, absolute, contingent or otherwise) and financial position of MG as at the dates thereof;
  - (ii) the income and expenses of MG during the periods covered by the MG Financial Statements; and
  - (iii) do not omit to state any material fact that is required by GAAP or by Applicable Laws to be stated or reflected therein or which is necessary to make the statements contained therein not misleading.

- (19) **Bankruptcy.** Neither MG nor MG Subco has made any assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. MG and MG Subco have not initiated proceedings with respect to a compromise or arrangement with their respective creditors, or for winding-up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of MG, MG Subco or their respective assets and no execution or distress has been levied on any of such assets, nor have proceedings been commenced in respect of any of the foregoing.
- (20) **No Liabilities Resulting in Encumbrances.** There is no indebtedness or Liability of MG or MG Subco to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance, except a Permitted Encumbrance, upon any of the assets of MG.
- (21) **Auditors.** There has never been a reportable disagreement (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present auditors of MG.
- (22) **Legal Proceedings.** There are no Legal Proceedings pending or, to the knowledge of MG, contemplated or threatened, to which MG or MG Subco is a party or to which their respective assets are or may become subject. Neither MG nor MG Subco is subject to any judgment, Order or decree entered in any lawsuit or proceeding, nor has MG or MG Subco settled any claim prior to being prosecuted in respect of it. Neither MG nor MG Subco is a plaintiff or complainant in any Legal Proceedings.
- (23) **Liabilities.** There are no material liabilities of MG or MG Subco whether direct, indirect, absolute, contingent or otherwise, which are not disclosed or reflected in the MG Financial Statements, except those incurred in the ordinary course of business or pursuant to the Qualifying Transaction.
- (24) **Finder's Fees.** Except for the Haywood Finder's Fee, there is no person, firm or corporation acting or purporting to act at the request of MG or MG Subco, who is entitled to any brokerage or finder's fee in connection with the transactions contemplated herein.
- (25) **Indebtedness.** Neither MG nor MG Subco is a party to any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or any other liability or any agreement, contract or commitment therefor.

***General Matters Relating to the Business of MG***

- (26) **No Business; Assets.** MG is a "capital pool company" (as defined in the TSXV Policies) and has not conducted any business operations other than to pursue a Qualifying Transaction (as defined in the TSXV Policies). Other than as disclosed in the MG Financial Statements, MG does not hold, possess or have any undertaking, property or assets of any material value. Without limiting the foregoing, MG does not own, lease, or otherwise have an interest in any real property.
- (27) **No Material Adverse Change.** Since the most recent date of the MG Financial Statements, there has not been any Material Adverse Change in the affairs, operations or condition of MG, its assets or its properties and no event has occurred or circumstance exists which may result in such a Material Adverse Change.
- (28) **Compliance with Applicable Laws.** To the knowledge of MG, MG has, at all times, conducted its operations in compliance with all Applicable Laws, including all TSXV Policies, other than acts of non-compliance which, in the aggregate, are not material, and MG has not received notice that it has not operated in compliance with Applicable Laws.
- (29) **Material Contracts.** There are no material contracts or agreements to which MG is a party, or by which it is bound, other than as disclosed in the information filed by MG on the SEDAR website at [www.sedar.com](http://www.sedar.com) under MG's profile.

- (30) **No Breach of Contracts.** To the knowledge of MG, MG has performed all of the obligations required to be performed by it and is entitled to all benefits under, and MG has not received notice or advice alleging it to be in default of any contract.

***Taxes and Other Matters***

(31) **Taxes.**

- (i) MG and MG Subco have duly and timely filed all Tax Returns required to be filed with the appropriate Government Authority and all such Tax Returns are correct and complete in all material respects and reflect accurately all liability for Taxes of MG and MG Subco for the periods covered thereby.
- (ii) MG and MG Subco have paid all Taxes which are due and payable (including all instalments on account of Taxes) within the time required by Applicable Law, and have paid all assessments and reassessments they have received in respect of Taxes. MG has made full and adequate provision in the Books and Records of MG and the MG Financial Statements for all Taxes of MG and MG Subco for the periods covered by such MG Financial Statements that have not been paid whether or not shown as being due on any Tax Returns. Since the publication date for such MG Financial Statements, no material liability in respect of Taxes not reflected in such MG Financial Statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the Ordinary Course. Neither MG nor MG Subco has received any refund of Taxes to which it was not entitled.
- (iii) MG and MG Subco have withheld and collected all amounts required by Applicable Law to be withheld or collected by them on account of Taxes and have remitted all such amounts to the appropriate Government Authority within the time prescribed under any Applicable Law.
- (iv) There are no claims, actions, suits, audits, proceedings, investigations or other actions pending, or to the knowledge of MG threatened, against MG or MG Subco in respect of Taxes and, to the knowledge of MG, there is no reason to expect that any such claim, action, suit, audit, proceeding, investigation or other action may be asserted against the MG or MG Subco by a Government Authority. Neither MG nor MG Subco is negotiating any final or draft assessment or reassessment in respect of Taxes with any Government Authority and neither MG nor MG Subco has received any indication from any Government Authority that an assessment or reassessment is proposed or may be proposed in respect of any Taxes. There are no facts of which MG is aware which would constitute grounds for the assessment or reassessment of Taxes payable by MG or MG Subco.
- (v) There are no outstanding agreements, arrangements, waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of Taxes or the filing of any Tax Return by, or any payment of Taxes by, the MG or MG Subco.
- (vi) To the knowledge of MG, there are no liens for Taxes upon any property or asset of MG or MG Subco (whether owned or leased), except liens for current Taxes not yet due.
- (vii) Neither MG nor MG Subco is subject to any liability for Taxes of any other Person. Neither MG nor MG Subco is subject to any joint venture, partnership or other arrangement or contract that is treated as a partnership for income tax purposes in any jurisdiction. Neither MG nor MG Subco is a party to any agreement, understanding, or arrangement relating to allocating or sharing any amount of Taxes.

- (viii) MG is a “taxable Canadian corporation” for the purposes of the ITA.
- (ix) No claim has ever been made by a Government Authority in respect of Taxes in a jurisdiction where MG or MG Subco do not file Tax Returns that the MG or MG Subco is or may be subject to Tax by that jurisdiction.
- (32) **Working Capital.** The Working Capital of MG as of July 31, 2019, was greater than \$200,000.
- (33) **No Withholding Taxes.** To the extent there are withholding or other Taxes pursuant to any Applicable Laws that prevent, restrict or affect the delivery of the Resulting Issuer Shares in accordance with this Agreement, all proper amounts will be withheld by MG in respect of same.
- (34) **No Employees; No Change of Control Payments.** Neither of the MG Parties have any employees. Neither of the MG Parties is a party to any written management contract or employment agreement, including without limitation, any contract which provides for the payment of severance in lieu of notice upon termination thereof or for a right of payment in the event of a change in control of either of the MG Parties.
- (35) **Indebtedness to MG securityholders.** Except as disclosed in the MG Financial Statements, and except for the payment of salaries and other compensation payable in the Ordinary Course and reimbursement for out-of-pocket expenses in the Ordinary Course, neither the MG or MG Subco is indebted to any securityholder of MG (or any Affiliates or associates thereof), or any of their directors, officers or employees (or any Affiliate or associate thereof).
- (36) **Accurate Disclosure.** No representation, warranty or statement of MG in this Agreement or the Filing Statement (solely as it applies to information pertaining to MG and MG Subco) contains or will contain at the Closing Time any untrue statement of a material fact or omits or will omit to state any material fact necessary to make the statements contained herein or therein, in light of the circumstances under which made, not misleading.

#### ARTICLE 4 PRE-CLOSING COVENANTS

##### Section 4.1 Conduct of Business Prior to Closing – DLP

- (1) **Ordinary Course.** During the period from the date of execution of this Agreement to the Closing Date, DLP will conduct its operations, namely, the acquisition or exploration of the Properties, in the Ordinary Course.
- (2) **Negative Covenants.** Other than as contemplated or permitted by this Agreement and the Bridge Loan, without limiting the generality of Section 4.1(1) and without derogating from the obligation of DLP in Section 6.1(1)(ii), DLP will not:
  - (i) amend its Governing Documents, other than in connection with the transactions contemplated herein;
  - (ii) sell, transfer or otherwise dispose of any of its property or assets;
  - (iii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of shares or securities, contributions of capital or property transfer;

- (iv) acquire any material assets;
  - (v) incur any indebtedness for borrowed money, other than pursuant to existing facilities, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual or entity, or make any loans or advances, other than fees payable to legal and accounting advisors in the Ordinary Course and reasonable fees payable to legal, accounting, engineering and financial advisors in connection with the Qualifying Transaction and matters contemplated by this Agreement;
  - (vi) authorize, recommend or propose any release or relinquishment of any material contractual right;
  - (vii) enter into any agreements with its directors or officers or their respective associates;
  - (viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;
  - (ix) make any capital expenditure or commitment;
  - (x) discharge any secured or unsecured obligation or liability;
  - (xi) remove its auditor or any director or terminate any officer or other employee;
  - (xii) cancel or waive any material claims or rights;
  - (xiii) enter into any compromise or settlement of any Legal Proceeding or governmental investigation relating to the assets or properties or assets of DLP;
  - (xiv) take any action that will result in a violation of any Applicable Law or judgment, decree, order, or award of any Government Authority applicable to DLP
  - (xv) declare or pay any dividend;
  - (xvi) other than as agreed to in writing by MG, pay any person, firm or corporation acting or purporting to act at the request of DLP, any brokerage or finder's fee in connection with the transactions contemplated herein;
  - (xvii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than in accordance with the terms of the DLP Financing, the DLP Warrants, or any incentive compensation plans; or
  - (xviii) declare or pay any dividend.
- (3) **Affirmative Covenants.** Without derogating from the obligation of DLP in Section 6.1(1)(ii), DLP will:
- (i) maintain all Books and Records in the usual, regular and ordinary manner;
  - (ii) use reasonable commercial efforts to complete the DLP Financing in compliance with Applicable Securities Laws and to ensure: (a) the DLP Shares and DLP FT Shares to be issued pursuant to the DLP Financing shall, upon issuance, be duly and validly issued as fully paid and non-assessable shares in the capital of DLP in compliance with Applicable Laws (b) and the DLP Warrants to be

issued pursuant to the DLP Financing shall be, upon issuance, duly and validly issued in compliance with Applicable Laws;

- (iii) use reasonable commercial efforts to preserve intact the current business organization of DLP;
- (iv) take all such actions as is within its power to control and to use its reasonable commercial efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 6.1 and Section 6.3 including, using reasonable commercial efforts ensuring that during the period from the date of this Agreement to Closing and at Closing, there is no breach of any of their representations and warranties in Section 3.1; and
- (v) using reasonable commercial efforts, conduct its business in such a manner that on the Closing Date, the representations and warranties contained in this Agreement shall be true, correct and complete as if such representations and warranties were made on and as of such date.

#### **Section 4.2 Conduct of Business Prior to Closing - MG**

- (1) **Ordinary Course.** During the period from the date of execution of this Agreement to the Closing Date, MG will conduct its operations in the Ordinary Course.
- (2) **Negative Covenants.** Other than as may contemplated or permitted by this Agreement and the Bridge Loan, without limiting the generality of Section 4.2(1) and without derogating from the obligation of MG in Section 6.2(1)(ii), MG and MG Subco will not:
  - (i) amend its Governing Documents, other than in connection with the transactions contemplated herein;
  - (ii) sell, transfer or otherwise dispose of any of its property or assets;
  - (iii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof, or make any investment either by purchase of shares or securities, contributions of capital or property transfer;
  - (iv) acquire any material assets;
  - (v) incur any indebtedness for borrowed money, other than pursuant to existing facilities, or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other individual or entity, or make any loans or advances, other than fees payable to legal and accounting advisors in the Ordinary Course and reasonable fees payable to legal, accounting, engineering and financial advisors in connection with the Qualifying Transaction and matters contemplated by this Agreement;
  - (vi) authorize, recommend or propose any release or relinquishment of any material contractual right;
  - (vii) enter into any agreements with its directors or officers or their respective associates;
  - (viii) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

- (ix) make any capital expenditure or commitment;
  - (x) discharge any secured or unsecured obligation or liability;
  - (xi) remove its auditor or any director or terminate any officer or other employee;
  - (xii) cancel or waive any material claims or rights;
  - (xiii) enter into any compromise or settlement of any Legal Proceeding or governmental investigation relating to the assets or properties or assets of MG;
  - (xiv) declare or pay any dividend;
  - (xv) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any shares, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire shares other than in accordance with the terms of the MG Options;
  - (xvi) other than as agreed to in writing by DLP, make any payment of any nature to or for the benefit of a Non-Arm's Length Party (as defined in TSXV Policies) to MG or a Non-Arm's Length Party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of MG or the securities of MG or the Resulting Issuer, by any means, including salaries, consulting fees, management contract fees, directors' fees, finder's fees, loans, advances, bonuses or deposits or similar payments;
  - (xvii) other than as agreed to in writing by DLP, pay any person, firm or corporation acting or purporting to act at the request of MG, any brokerage or finder's fee in connection with the transactions contemplated herein;
  - (xviii) take any action which would be reasonably expected to result in the delisting or suspension of the MG Shares from the TSXV and shall comply, in all material respects, with the TSXV Policies, and the rules and regulations thereof; or
  - (xix) agree, whether or not in writing, to do any of the foregoing.
- (3) **Affirmative Covenants.** Without limiting the generality of Section 4.2(1) and without derogating from the obligation of MG in Section 6.2(1)(ii), MG and MG Subco will:
- (i) use reasonable commercial efforts to ensure the Resulting Issuer Shares to be issued to the DLP Securityholders pursuant to this Agreement shall, upon issuance, be duly and validly issued as fully paid and non-assessable shares in the capital of the Resulting Issuer in compliance with Applicable Laws, and, upon issuance, be duly listed for trading on the TSXV, subject to the satisfaction of conditions on issuance, if any, by the TSXV and the terms and conditions of the TSXV Escrow Agreement.
  - (ii) use reasonable commercial efforts to ensure the Resulting Issuer Shares issuable upon the exercise of the DLP Warrants will be duly and validly authorized, allotted and reserved for issuance and, upon exercise or deemed exercise of such DLP Warrants in accordance with their terms, and, upon receipt by the Resulting Issuer of the consideration therefor, use reasonable commercial efforts to ensure such Resulting Issuer Shares will be issued as fully paid and non-assessable in compliance with Applicable Laws.
  - (iii) maintain all Books and Records in the usual, regular and ordinary manner;

- (iv) using reasonable commercial efforts, conduct its operations in such a manner that on the Closing Date, the representations and warranties contained in this Agreement shall be true, correct and complete as if such representations and warranties were made on and as of such date;
- (v) take all such actions as are within their respective power to control and to use their reasonable commercial efforts to cause other actions to be taken which are not within their power to control, so as to ensure compliance with all of the conditions set forth in Section 6.2 and Section 6.3 including ensuring that during the period from the date of this Agreement to Closing and at Closing, there is no breach of any of its representations and warranties Section 3.2; and
- (vi) otherwise periodically as requested report to DLP concerning the state of the operations of MG.

#### **Section 4.3 Mutual Covenants Prior to Closing**

- (1) **Affirmative Covenants.** Each of the Parties covenants that prior to Closing it will:
  - (i) take all such actions as are within their respective power to control and to use their reasonable commercial efforts to complete the DLP Financing; and
  - (ii) take all such actions as are within their respective power to control and to use their reasonable commercial efforts to obtain TSXV approval for the transactions contemplated herein.
- (2) **Negative Covenants.** Each of the Parties covenants that prior to Closing it shall not, directly or indirectly, do or permit to occur any of the following, except as otherwise contemplated herein:
  - (i) redeem, purchase or otherwise acquire any of its outstanding shares or other securities including, without limitation, under an issuer bid;
  - (ii) split, combine or reclassify any of its shares;
  - (iii) reduce its stated capital; or
  - (iv) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing.

#### **Section 4.4 Access to Information**

- (1) **Provision for Access.** From the date hereof until the earlier of the Closing and the termination of this Agreement, subject to Applicable Law, each Party shall give the other Parties and its respective representatives (i) upon reasonable written notice, reasonable access during normal business hours to its and its Subsidiaries' (a) premises, (b) property and assets (including all books and records, whether retained internally or otherwise), (c) contracts, leases and authorizations, and (d) senior personnel, so long as the access does not unduly interfere with the Ordinary Course conduct of the business of the Party; and (ii) such financial and operating data or other information with respect to the assets or business of the Party as the other Party from time to time reasonably requests in order to permit DLP to be in a position to efficiently integrate the business and operations of MG with those of DLP immediately upon but not before the Closing.
- (2) **Confidentiality.** Until the Closing and in the event of termination of this Agreement without Closing, each Party (the "**Receiving Party**") shall keep confidential any Confidential Information obtained from the other Party (the "**Disclosing Party**") or its respective agents and representatives, unless such Confidential Information: (i) is or becomes generally available to the public other than as a result of a disclosure in violation of this Agreement, (ii) becomes available to the Receiving Party on a non-confidential basis from

a source other than the Disclosing Party or its respective agents and representatives, unless the Receiving Party knows that such source is prohibited from disclosing the information to the Receiving Party by a contractual, fiduciary or other legal obligation to the Disclosing Party, or (iii) was known to the Receiving Party on a non-confidential basis before its disclosure to the Receiving Party by the Disclosing Party or its respective agents and representatives. In the event the Receiving Party is required by Applicable Law or by any by-law, rule or policy of any stock exchange to disclose any confidential information, the Receiving Party will, to the extent not prohibited by Applicable Law or by any by-law, rule or policy of any stock exchange, provide the Disclosing Party with prompt notice of such requirements so that the Disclosing Party may seek a protective order or other appropriate remedy or waive compliance with the provisions of this Section 4.4(2). Subject to the next sentence, if this Agreement is terminated, promptly after such termination the Receiving Party will return or cause to be returned or destroyed all documents, work papers and other material (whether in written, printed, electronic or computer printout form and including all copies) obtained from the Disclosing Party or its respective agents and representatives in connection with this Agreement and not previously made public. The Receiving Party may retain one copy of all such documents, work papers and other materials in a sealed envelope left with its solicitors, which sealed envelope is not to be opened except in circumstances where this Agreement or the transaction contemplated herein are the subject of litigation or otherwise with the consent of the Disclosing Party.

#### **Section 4.5 Filing Statement, News Releases and Required TSXV Disclosure**

- (1) MG shall, with the assistance of DLP, prepare and file with the TSXV on a timely basis, the Filing Statement together with any other documents including the MG Financial Statements and the DLP Financial Statements, as required by Applicable Laws in Canada (which shall be in form and content satisfactory to the TSXV) and be prepared in accordance with the requirements of the TSXV Policies and all other Applicable Laws in Canada and the Parties shall use their reasonable commercial efforts to file the Filing Statement with the TSXV within five (5) Business Days of receipt by MG of the DLP Filing Statement Information.
- (2) DLP covenants and agrees that, from the date of this Agreement until the Closing Date or termination of this Agreement, except with the prior written consent of MG (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, it will:
  - (i) provide MG with all DLP Filing Statement Information required for the Filing Statement in a timely manner and ensure that such information provided by it expressly for inclusion in the Filing Statement does not, at the time of public filing of the Filing Statement, contain any Misrepresentation;
  - (ii) indemnify and save harmless MG and its directors, officers, employees, advisors and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which MG or its directors, officers, employees advisors and agents may be subject or which MG or its directors, officers, employees, advisors or agents may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
    - (i) any Misrepresentation contained solely in any DLP Filing Statement Information included in the Filing Statement that was provided to MG expressly for inclusion in the Filing Statement or any other document provided by DLP to MG for purposes of filing with the TSXV, other than in respect of information provided by or related to the MG Parties; and
    - (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any Misrepresentation in the Filing Statement

solely with respect to DLP Filing Statement Information, or in any material filed by or on behalf of DLP in compliance or intended compliance with Applicable Securities Laws or filed with the TSXV;

except that DLP will not be liable in any such case to the extent that any such liabilities, claims, demands, losses, costs, damages and expenses arise out of any information contained in the Filing Statement, other than DLP Filing Statement Information that was provided to MG by DLP expressly for inclusion in the Filing Statement, or the negligence of MG or the non-compliance by MG with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement;

- (3) MG covenants and agrees that, from the date of this Agreement until the Closing Date or termination of this Agreement, except with the prior written consent of DLP (such consent not to be unreasonably withheld or delayed), and except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, it will:
- (i) subject to compliance by DLP with its obligations set forth in Section 4.5(2), as soon as practicable after the execution and delivery of this Agreement, prepare the Filing Statement together with any other documents required by Applicable Laws required to be filed or prepared by MG and, subject to Section 4.5(2), as soon as practicable after the execution and delivery of this Agreement, MG shall, unless otherwise agreed by DLP, cause the Filing Statement and other documentation required in connection with Qualifying Transaction to be sent to the TSXV and be filed as required by Applicable Laws;
  - (ii) provide DLP and its legal counsel a reasonable opportunity to review and comment on drafts of the Filing Statement and other documents to be sent to the TSXV in connection with the Qualifying Transaction, and will give reasonable consideration to any comments made by DLP and its legal counsel, provided that all information included in the Filing Statement and any other documents to be sent to the TSXV in connection with the Qualifying Transaction relating to DLP will be in form and content satisfactory to DLP, acting reasonably;
  - (iii) ensure that the Filing Statement (other than any DLP Filing Statement Information that was provided to MG by DLP expressly for inclusion in the Filing Statement) complies with Applicable Laws and, without limiting the generality of the foregoing, that the Filing Statement will not contain a Misrepresentation (other than any Misrepresentation that might relate to any DLP Filing Statement Information that was provided to MG by DLP expressly for inclusion in the Filing Statement);
  - (iv) indemnify and save harmless DLP and its directors, officers, employees, advisors and agents from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which DLP or its directors, officers, employees, advisors and agents may be subject or which DLP or its directors, officers, employees, advisors and agents may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of:
    - (i) any Misrepresentation in the Filing Statement other than in respect of DLP Filing Statement Information contained therein or in any material filed by MG, other than in respect of information provided by or related to DLP, in connection with the transactions contemplated by this Agreement in compliance or intended compliance with any Applicable Laws; and
    - (ii) any order made or any inquiry, investigation or proceeding by any securities commission or other competent authority based upon any Misrepresentation in the Filing Statement

other than in respect of DLP Filing Statement Information or in any material filed by or on behalf of MG in compliance or intended compliance with Applicable Securities Laws;

except that MG will not be liable in any such case to the extent that any such Liabilities, claims, demands, Losses, costs, damages and expenses arise out of any DLP Filing Statement Information included in the Filing Statement that was provided to MG expressly for inclusion in the Filing Statement, or the negligence of either of DLP or the non-compliance by DLP with any requirement of Applicable Laws in connection with the transactions contemplated by this Agreement; and

- (v) promptly inform DLP of any requests or comments made by Securities Authorities in connection with the Filing Statement; and each of the Parties will cooperate with the other and will diligently do all such acts and things as may be necessary in the manner contemplated in the context of the preparation of the Filing Statement and use its reasonable commercial efforts to resolve all requests or comments made by Securities Authorities with respect to the Filing Statement and any other required filings under Applicable Laws as promptly as practicable after receipt thereof.

#### **Section 4.6 Bridge Loan**

- (1) The parties acknowledge and agree that MG will lend to DLP an aggregate of \$25,000 on an unsecured basis (the "**Bridge Loan**"). The Bridge Loan shall accrue interest at a rate of 10% per annum.
- (2) All amounts outstanding pursuant to the Bridge Loan will be repayable in full on the date of the completion of the Qualifying Transaction, or if the Qualifying Transaction is not completed, 90 days from the date of this Agreement.

#### **Section 4.7 Exclusive Dealing**

Except as provided by this Agreement, each Party agrees that, as and from the date hereof through the earlier of: (i) the Closing Date; and (ii) the termination of this Agreement, subject to the written consent of the other Parties, each Party shall not permit any of its or its Subsidiaries' officers, directors, employees, consultants, advisors, representatives, agents or other parties acting on its behalf, to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Qualifying Transaction, and without limiting the generality of the foregoing, not to sell any of its material assets or its business or induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities of the Party or the Parties' assets, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Qualifying Transaction from any Person (other than the Parties), nor with respect to the MG Parties only result in the issuance or sale of any securities of a Party, and including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event a Party, including any of its Subsidiaries officers or directors, receives any formal written form of offer or inquiry, such Party shall forthwith (in any event within one business day following receipt) notify the other Parties of such offer or inquiry and provide the other Parties with such details as it may request.

**ARTICLE 5  
OTHER COVENANTS**

**Section 5.1 Representations and Warranties**

- (1) Except as expressly contemplated herein, DLP covenants and agrees that from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.1 being untrue or misleading in any material respect.
- (2) Except as expressly contemplated herein, each of MG and MG Subco covenants and agrees that, from the date hereof until the termination of this Agreement it shall not take any action, or fail to take any action, which would or may reasonably be expected to result in the representations and warranties set out in Section 3.2 being untrue or misleading in any material respect.

**Section 5.2 Notice of Material Change**

- (1) From the date hereof until the termination of this Agreement, each Party shall promptly notify the other Parties in writing of:
  - (i) any material change (actual, anticipated, contemplated or, to the knowledge of such Party threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of such Party taken as whole;
  - (ii) any Material Adverse Change;
  - (iii) any change in the facts relating to any representation or warranty set out in Section 3.1 or Section 3.2 hereof, as applicable, which change is or may be of such a nature as to render any such representation or warranty misleading or untrue in a material respect; or
  - (iv) any material fact which arises and which would have been required to be stated herein had the fact arisen on or prior to the date of this Agreement.
- (2) Each of MG and DLP shall in good faith discuss with the other any change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other pursuant to this section.

**Section 5.3 Other Filings**

The Parties shall, as promptly as practicable hereafter, prepare and file all filings required under Applicable Securities Laws, the rules of the TSXV or any other Applicable Laws relating to the Qualifying Transaction contemplated hereby.

**Section 5.4 Additional Agreements**

- (1) Subject to the terms and conditions of this Agreement and subject to fiduciary obligations under Applicable Laws, each of the Parties hereto agrees to use all commercially reasonable efforts to take, or cause to be taken, all action and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the Qualifying Transaction contemplated by this Agreement and to cooperate with each other in connection with the foregoing, including, as applicable, using commercially reasonable efforts:

- (i) to obtain all necessary waivers, consents and approvals from other parties to material agreements and other contracts or agreements;
  - (ii) to defend all lawsuits or other Legal Proceedings challenging this Agreement or the consummation of the Qualifying Transaction contemplated hereby;
  - (iii) to cause to be lifted or rescinded any injunction or restraining Order or other Order adversely affecting the ability of the Parties to consummate the Qualifying Transaction contemplated hereby;
  - (iv) to affect all necessary registrations and other filings and submissions of information requested by Government Authorities; and
  - (v) to fulfill all conditions and satisfy all provisions of this Agreement.
- (2) For purposes of the foregoing, the obligation to use “**commercially reasonable efforts**” to obtain waivers, consents and approvals to loan agreements, leases and other contracts shall not include any obligation to agree to a materially adverse modification of the terms of such documents or to prepay or incur additional material obligations to such other parties.

#### **Section 5.5            Publicity**

So long as this Agreement is in effect, MG and DLP shall advise, consult and cooperate with each other prior to issuing, or permitting any of their directors, officers, employees or agents to issue, any press release or other written public or private statement to the press with respect to this Agreement and the Qualifying Transaction contemplated hereby from the date hereof until the Closing Date. Each such Party shall not issue any such press release or make any such written public or private statement prior to such consultation, except as may be required by Applicable Laws or by obligations pursuant to any listing agreement with the TSXV and only after using its reasonable efforts to consult with the other Parties taking into account the time constraints to which it is subject as a result of such Applicable Law or obligation.

### **ARTICLE 6 CLOSING CONDITIONS**

#### **Section 6.1            Conditions Precedent to the obligations of the MG Parties**

- (1) The completion of the Qualifying Transaction is subject to the following conditions to be fulfilled or performed prior to Closing by DLP, which conditions are for the exclusive benefit of the MG Parties and may be respectively waived, in whole or in part, by the MG Parties in their sole discretion.
- (i) **Truth of Representations and Warranties.** Except as expressly contemplated herein, all of the representations and warranties of DLP contained in or made pursuant to this Agreement shall have been true and correct as of the date of this Agreement and shall be true and correct as of the Closing Date and the Chief Executive Officer and Chief Financial Officer of DLP shall have executed and delivered a certificate to that effect to the MG Parties at Closing.
  - (ii) **Performance of Covenants.** DLP shall have, in all material respects to the satisfaction of the MG Parties, fulfilled or complied with all of the obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by each of them at or prior to the Closing, and the Chief Executive Officer and Chief Financial Officer of DLP shall have executed and delivered a certificate to that effect to the MG Parties at Closing. The receipt of such certificate and the Closing shall not constitute a waiver by the MG Parties of the covenants of DLP which are contained in this Agreement.

- (iii) **Other Approvals.** All third party consents, waivers, permits, orders and approvals required in connection with the consummation of the Qualifying Transaction will have been provided or obtained on terms and conditions acceptable to the Parties, acting reasonably, at or before the Closing Time, except where the failure to provide or obtain such would not have a Material Adverse Effect, would not materially adversely affect the MG Parties or would not prevent or materially impede the completion of the Qualifying Transaction contemplated hereby.
- (iv) **Director Appointments.** MG shall have received consents from John James Stypula, Richard Norman Zimmer and William Robert Bennett, or such other proposed directors of the Resulting Issuer that DLP in its sole discretion may determine, to act as directors of MG with effect as of the Closing Time.
- (v) **No Action.** No act, action, suit, Legal Proceeding, objection or opposition shall have been commenced, pending, threatened, taken, entered or promulgated before or by any Government Authority or by any other Person, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, in any case: (a) to cease trade, enjoin, prohibit or impose material conditions on the Qualifying Transaction or the transactions contemplated therein or herein; (b) to cease trade, enjoin, prohibit or impose material conditions on the rights of MG to own or exercise full rights of ownership of Amalco, including the rights to vote the Amalco Shares, upon the completion of the Qualifying Transaction or conduct the business conducted by DLP; (c) to prohibit or restrict the completion of the Qualifying Transaction in accordance with the terms hereof or otherwise relating to the Qualifying Transaction; or (d) that would have a Material Adverse Effect, or would materially adversely affect either of the MG Parties.
- (vi) **Deliveries.** DLP shall have delivered all items contemplated by this Section 6.1 and by Section 7.2.

## **Section 6.2 Conditions Precedent to the Obligations of DLP**

- (1) The completion of the Qualifying Transaction is subject to the following conditions to be fulfilled or performed prior to the Closing by the MG Parties, which conditions are for the exclusive benefit of DLP and may be waived, in whole or in part, by DLP in its sole discretion:
  - (i) **Truth of Representations and Warranties.** Except as expressly contemplated herein, the representations and warranties of the MG Parties contained in this Agreement, shall be true and correct as of the Closing Date and MG shall have executed and delivered a certificate of a senior officer to that effect.
  - (ii) **Performance of Covenants.** The MG Parties shall, in all material respects to the satisfaction of DLP, have fulfilled or complied with all obligations, covenants and agreements contained in this Agreement to be fulfilled or complied with by it at or prior to the Closing and MG shall have executed and delivered a certificate of a senior officer to that effect. The receipt of such certificate and the Closing shall not constitute a waiver by DLP of the covenants of the MG Parties which are contained in this Agreement or the TSXV Escrow Agreement.
  - (iii) **Approvals.** All third party consents, waivers, permits, orders and approvals required in connection with the consummation of the Qualifying Transaction will have been provided or obtained on terms and conditions acceptable to the Parties, acting reasonably, at or before the Closing Date, except where the failure to provide or obtain such would not have a Material Adverse Effect, would not materially adversely affect DLP or would not prevent or materially impede the completion of the Qualifying Transactions contemplated hereby.

- (iv) **No Action.** No Legal Proceeding or opposition shall have been commenced, pending, threatened, taken, entered or promulgated before or by any Government Authority or by any other Person, and no law, regulation, policy, judgment, decision, order, ruling or directive (whether or not having the force of law) shall have been proposed, enacted, promulgated, amended or applied, in any case: (a) to cease trade, enjoin, prohibit or impose material conditions on the Qualifying Transaction or the transactions contemplated therein or herein; (b) to cease trade, enjoin, prohibit or impose material conditions on the rights of MG to own or exercise full rights of ownership of the Amalco Shares, including the rights to vote the Amalco Shares, upon the completion of the Qualifying Transaction or conduct the business conducted by DLP; (c) to prohibit or restrict the completion of the Qualifying Transaction in accordance with the terms hereof or otherwise relating to the Qualifying Transaction; or (d) that would have a Material Adverse Effect, or would materially adversely affect DLP.
- (v) **Management Appointments.** MG shall have received fully executed written resignations and mutual releases from each director and officer of MG, in each case with effect from the Closing Time, in a form satisfactory to DLP, acting reasonably.
- (vi) **Termination of MG Options.** At the Closing Time, MG shall terminate 540,000 of the MG Options currently held by its current directors and officers.
- (vii) **Deliveries.** The MG Parties shall have delivered all items contemplated by this and by this Section 6.2 and by Section 7.3.

### **Section 6.3 Mutual Conditions Precedent**

- (1) The respective obligations of the Parties hereto to complete the Qualifying Transaction are subject the following conditions precedent to be fulfilled or performed prior to the Closing, each of which may be waived only by the mutual consent of the Parties:
  - (i) DLP shall have obtained approval from the DLP Shareholders for the Amalgamation;
  - (ii) there shall not be in force any Order or decree restraining or enjoining the consummation of the Qualifying Transaction;
  - (iii) the DLP Financing shall have closed prior to the Closing Date and the Chief Executive Officer and Chief Financial Officer of DLP shall have executed and delivered a certificate to that effect to the MG Parties as of the date of closing the DLP Financing;
  - (iv) the TSXV shall have conditionally accepted the Qualifying Transaction and the listing of the Resulting Issuer Shares issuable pursuant to the Qualifying Transaction; and
  - (v) all Regulatory Approvals shall have been obtained.

### **Section 6.4 Notice and Effect of Failure to Comply with Covenants or Conditions**

- (1) Each Party shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof to the Closing Date, of any event or state of facts that would, or would be likely to, (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect, or (ii) result in the failure to comply with or satisfy any covenant or condition to be complied with or satisfied by any Party hereunder; provided, however, that no such notification shall affect the representations or warranties of the Parties or the conditions to the obligations of the Parties hereunder.

- (2) If any of the conditions precedent set out in any of Section 6.1, Section 6.2 or Section 6.3 is not satisfied or waived by the Party for whose benefit such condition is provided on or before the date required for the satisfaction thereof, then the Party for whose benefit the condition precedent is provided may, in addition to any other remedies it may have at law or equity, terminate this Agreement as provided for in Section 8.1(1)(ii), provided that the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition or conditions precedent and shall provide in such notice that the other Party shall be entitled to cure any breach of a covenant or representation and warranty or other matters within five Business Days after receipt of such notice (except that no cure period shall be provided for a breach that, by its nature, cannot be cured and, in no event, shall any cure period extend beyond the Outside Date). More than one such notice may be delivered by a Party.

## **ARTICLE 7 CLOSING ARRANGMENTS**

### **Section 7.1 Closing of the Amalgamation and Closing Date**

Subject to the satisfaction or waiver by the applicable Party of the conditions in favour of each Party set out in Article 6, the Parties shall hold the Closing on the Closing Date, at such time as agreed to by DLP and MG (on behalf of itself and MG Subco) and at the offices of DuMoulin Black LLP in Vancouver, British Columbia or at such other place as agreed to by DLP and MG (on behalf of itself and MG Subco) and shall immediately thereafter deliver to the Registrar the Amalgamation Application and such other documents as may be required to give effect to the Amalgamation. The Amalgamation shall become effective at the Closing Time on the Closing Date.

### **Section 7.2 Closing Deliveries of DLP**

- (1) DLP shall deliver or cause to be delivered to MG the following in form and substance satisfactory to MG acting reasonably:
- (i) the certificates referred to in Section 6.1(1)(i), Section 6.1(1)(ii) and Section 6.3(1)(iii);
  - (ii) certified true copies of (i) the Governing Documents of DLP, and (ii) all resolutions of the board of directors of DLP approving the Qualifying Transaction, the Agreement, the completion of the DLP Financing and all other matters related to the Qualifying Transaction;
  - (iii) a certificate of incumbency of the directors and officers of DLP delivered from the Chief Executive Officer and Chief Financial Officer of DLP;
  - (iv) a certificate of status, compliance, good standing or like certificate with respect to DLP issued by the Registrar under the BCBCA;
  - (v) certified true copies of securities registers and share transfer ledgers of DLP;
  - (vi) a certified copy of the shareholder resolutions of the shareholders of DLP approving the Amalgamation;
  - (vii) any deliveries required pursuant to Section 6.1(1)(iii)
  - (viii) executed director consents as contemplated pursuant to Section 6.1(1)(iv); and
  - (ix) such other documentation as MG reasonably requests on a timely basis in order to establish the completion of the Qualifying Transaction and the taking of all corporate proceedings in

connection with the Qualifying Transaction (as to certification and otherwise), in each case in form and substance satisfactory to MG, acting reasonably.

**Section 7.3 Closing Deliveries of MG and MG Subco**

- (1) MG shall deliver or cause to be delivered to DLP the following in form and substance satisfactory to MG, acting reasonably:
  - (i) the certificates referred to in Section 6.2(1)(i) and Section 6.2(1)(ii);
  - (ii) certified true copies of (i) the Governing Documents of MG, and (ii) all resolutions of the board of directors of MG approving the Qualifying Transaction, the Agreement and all other matters related to the Qualifying Transaction;
  - (iii) evidence of the issuance and delivery of the securities contemplated by the Securities Exchange;
  - (iv) a certificate of status, compliance, good standing or like certificate with respect to the MG issued by the Alberta Corporate Registrar;
  - (v) a certificate of status, compliance, good standing or like certificate for MG Subco issued by the Registrar under the BCBCA;
  - (vi) a certified copy of the Governing Documents of each of the MG Parties;
  - (vii) a certificate of incumbency for each of the MG Parties delivered from a senior officer of each of the MG Parties;
  - (viii) evidence that MG is a reporting issuer not in default of Applicable Securities Laws from the Securities Authorities in each of the Reporting Jurisdictions;
  - (ix) a certified copy of the resolutions of all of the directors of MG dated on or prior to the Closing Date, authorizing the approval of the Agreement and all related matters;
  - (x) a certified copy of the shareholder resolution of the sole shareholder of MG Subco (being MG) approving the Amalgamation;
  - (xi) the written resignations and mutual releases of all directors and officers of MG dated effective as of the Closing Date; and
  - (xii) such other documentation as DLP reasonably requests on a timely basis in order to establish the completion of the Qualifying Transaction and the taking of all corporate proceedings in connection with the Qualifying Transaction (as to certification and otherwise), in each case in form and substance satisfactory to MG, acting reasonably.

**ARTICLE 8  
TERMINATION AND AMENDMENT**

**Section 8.1 Termination**

- (1) This Agreement may be terminated by written notice promptly given to the other Parties hereto, at any time prior to the Closing Date:

- (i) by mutual agreement in writing by the Parties;
- (ii) by either Party as provided in Section 6.4(2) provided that the failure to satisfy the particular condition precedent being relied upon as a basis for termination of this Agreement did not occur as a result of a breach by the Party seeking to rely on the condition precedent of any of its covenants or obligations under the Agreement; or
- (iii) the Closing Date has not occurred by the Outside Date.

**Section 8.2 Effect of Termination**

In the event of the termination of this Agreement as provided in Section 8.1 hereof, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of DLP, MG or MG Subco hereunder except as set forth in Section 4.4(2), and Section 9.2 hereof, and this Section 8.2, which provisions shall survive the termination of this Agreement. Nothing herein shall relieve any Party from liability for any breach of this Agreement.

**Section 8.3 Amendment**

This Agreement may, at any time on or before the Closing Date, be amended by mutual agreement between the Parties hereto. This Agreement may not be amended except by an instrument in writing signed by the appropriate officers on behalf of each of the Parties hereto.

**Section 8.4 Waiver**

A Party may (i) extend the time for the performance by any other Party of the obligations owed to it; (ii) waive compliance with any other Party's agreements or the fulfillment of any of its conditions contained herein; or (iii) waive inaccuracies in another Party's representations or warranties owed to it and contained herein or in any document delivered by such other Party hereto; provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Parties.

**ARTICLE 9  
GENERAL**

**Section 9.1 Notices**

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by email or sent by prepaid overnight courier to the Parties at the following addresses (or at such other addresses as shall be specified by the Parties by like notice):

if to MG or MG Subco:

MG Capital Corporation  
M18 317 Banff Avenue  
Banff, Alberta T1L 1C1

Attention: Peter McKeown  
Telephone No.: (403) 689-4052  
Email: **[Redacted Confidential Contact Information]**

with a copy, which shall not constitute notice to:

Borden Ladner Gervais LLP  
Centennial Place, East Tower  
1900, 520 – 3rd Ave SW  
Calgary, AB T2P 0R3

Attention: Joshua Weinberger  
Telephone No.: (403) 232-9721  
Facsimile No.: (403) 266-1395  
Email: jweinberger@blg.com

If to DLP:

DLP Resources Inc.  
558 Celia Road  
Cranbrook, BC V1C 6V9

Attention: James Stypula  
Telephone No.: [Redacted Confidential Contact Information]  
Email: [Redacted Confidential Contact Information]

with a copy, which shall not constitute notice to:

DuMoulin Black LLP  
10th Floor – 595 Howe Street  
Vancouver, BC V6C 2T5

Attention: Brian Lindsay  
Telephone No.: (604) 602-6818  
Email: blindsay@dumoulinblack.com

or to such other address as the Party to or upon whom notice is to be given or served has communicated to the other Parties by notice given or served in the manner provided for in this section. In the case of delivery or email transmission, notice shall be deemed to be given on the date of delivery and in the case of mailing, notice shall be deemed to be given on the third Business Day after such mailing.

## **Section 9.2 Expenses**

Except for that fact that all third party costs required to be paid to complete the Qualifying Transaction will be borne by DLP, including, but not limited to sponsorship fees and any and all TSXV filing fees, the Parties hereto shall be responsible for the payment of their own professional fees (including but not limited to legal and accounting fees) and all other expenses incurred by them in connection with this Agreement.

## **Section 9.3 Assignment**

Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties.

## **Section 9.4 Further Assurances**

Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Parties hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

**Section 9.5 Severability**

Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under Applicable Law. Any provision of this Agreement that is invalid or unenforceable in any jurisdiction shall be ineffective to the extent of such invalidity or unenforceability without invalidating or rendering unenforceable the remaining provisions hereof, and any such invalidity or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

**Section 9.6 Governing Law, Choice of Forum**

This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each of the Parties attorns and submits to the exclusive jurisdiction of the Supreme Court of British Columbia with respect to any matter arising under or related to the Agreement.

**Section 9.7 Non-Merger**

Except as otherwise expressly provided in this Agreement, the covenants, representations and warranties shall not merge on and shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of any Party, shall continue in full force and effect. Closing shall not prejudice any right of one Party against any other Party in respect of anything done or omitted under this Agreement or in respect of any right to damages or other remedies.

**Section 9.8 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersedes all prior correspondence, agreements, negotiations, discussions and understandings, written or oral. Except as specifically set out in this Agreement, there are no representations, warranties, conditions or other agreements or acknowledgements, whether direct or collateral, express or implied, written or oral, statutory or otherwise, that form part of or affect this Agreement or which induced any Party to enter into this Agreement. No reliance is placed on any representation, warranty, opinion, advice or assertion of fact made either prior to, concurrently with, or after entering into, this Agreement, or any amendment or supplement hereto or thereto, by any Party to this Agreement or its representatives, to any other Party or its representatives, except to the extent the representation, warranty, opinion, advice or assertion of fact has been reduced to writing and included as a term in this Agreement, and none of the Parties has been induced to enter into this Agreement or any amendment or supplement by reason of any such representation, warranty, opinion, advice or assertion of fact. There is no liability, either in tort or in contract, assessed in relation to the representation, warranty, opinion, advice or assertion of fact, except as contemplated in this Section.

**Section 9.9 Counterpart Execution and Electronic Delivery**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together constitute one and the same instrument. Delivery of an executed counterpart of this Agreement by facsimile or transmitted electronically in legible form, including in a portable document format (PDF), shall be equally effective as delivery of a manually executed counterpart of this Agreement.

*[Remainder of page intentionally left blank – signature page follows]*

**IN WITNESS WHEREOF** the Parties have caused this Amalgamation Agreement to be duly executed as of the date first written above.

**MG CAPITAL CORP.**

Per: "Peter McKeown"  
Peter McKeown  
Chief Executive Officer

**1224395 B.C. LTD.**

Per: "Peter McKeown"  
Peter McKeown  
Director

**DLP RESOURCES INC.**

Per: "James Stypula"  
James Stypula  
Chief Executive Officer

**SCHEDULE A  
AMALGAMATION APPLICATION**

*[See attached]*



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

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

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

A INITIAL INFORMATION – When the amalgamation is complete, your company will be a BC limited company.

What kind of company(ies) will be involved in this amalgamation? (Check all applicable boxes.)

- BC company
BC unlimited liability company

B NAME OF COMPANY – Choose one of the following:

The name \_\_\_\_\_ is the name reserved for the amalgamated company. The name reservation number is: \_\_\_\_\_,

OR

The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number,

OR

The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

The incorporation number of that company is: \_\_\_\_\_

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C AMALGAMATION STATEMENT – Please indicate the statement applicable to this amalgamation.

With Court Approval: This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

Without Court Approval: This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

**D AMALGAMATION EFFECTIVE DATE** – Choose **one** of the following:

The amalgamation is to take effect at the time that this application is filed with the registrar.

YYYY / MM / DD

The amalgamation is to take effect at 12:01a.m. Pacific Time on \_\_\_\_\_  
being a date that is not more than ten days after the date of the filing of this application.

YYYY / MM / DD

The amalgamation is to take effect at \_\_\_\_\_  a.m. or  p.m. Pacific Time on \_\_\_\_\_  
being a date and time that is not more than ten days after the date of the filing of this application.

**E AMALGAMATING CORPORATIONS**

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number.  
If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1.		
2.		
3.		
4.		
5.		

**F FORMALITIES TO AMALGAMATION**

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

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

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
1.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
2.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
3.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
4.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED YYYY / MM / DD
5.	X	

## NOTICE OF ARTICLES

**A NAME OF COMPANY**

Set out the name of the company as set out in Item B of the Amalgamation Application.

**B TRANSLATION OF COMPANY NAME**

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

**C DIRECTOR NAME(S) AND ADDRESS(ES)**

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

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

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

DELIVERY ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
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MAILING ADDRESS	PROVINCE/STATE	COUNTRY	POSTAL CODE/ZIP CODE
-----------------	----------------	---------	----------------------

**D REGISTERED OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

PROVINCE

POSTAL CODE

**BC**

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

PROVINCE

POSTAL CODE

**BC****E RECORDS OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

PROVINCE

POSTAL CODE

**BC**

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

PROVINCE

POSTAL CODE

**BC****F AUTHORIZED SHARE STRUCTURE**

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

**SCHEDULE B  
ARTICLES OF AMALCO**

*[See attached]*

Registration number: \_\_\_\_\_

**DLP Resources Inc.  
(the "Company")**

The Company has as its articles the following articles.

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## **1. INTERPRETATION**

### **1.1 Definitions**

In these Articles, unless the context otherwise requires:

- (1) "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;
- (2) "*Business Corporations Act*" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (3) "*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;
- (4) "legal personal representative" means the personal or other legal representative of a shareholder;
- (5) "registered address" of a shareholder means the shareholder's address as recorded in the central securities register;
- (6) "seal" means the seal of the Company, if any.

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

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were set out herein. 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 must comply with, and be signed as required by, the *Business Corporations Act*.

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

Unless the shares of which a shareholder is the registered owner are uncertificated shares, each shareholder is entitled, on request and at the shareholder's option, 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. Within a reasonable time after the issue or transfer of a share that is an uncertificated share, the Company must send to the shareholder a written notice containing the information required by the *Business Corporations Act*.

### **2.4 Delivery by Mail**

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

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

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

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

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

If a share certificate or a non-transferable written acknowledgment of a shareholder's right to obtain a share certificate is lost, stolen or destroyed, a replacement share certificate or acknowledgment, as the case may be, must be issued to the person entitled to that share certificate or acknowledgment, as the case may be, provided such person has complied with the requirements of the *Business Corporations Act*.

### **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 as a fee to the Company for the issuance of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any, determined by the directors, which must not exceed the amount prescribed under the *Business Corporations Act*.

## **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:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (a) past services performed for the Company;

- (b) property;
  - (c) money; and
- (2) the directors in their discretion have determined that the value of the consideration received by the Company is equal to or greater than 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, convertible debentures and rights upon such terms and conditions as the directors determine, which share purchase warrants, options, convertible debentures 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 and Any Branch Securities Register**

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

### **4.2 Closing Register**

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

## **5. SHARE TRANSFERS**

### **5.1 Registering Transfers**

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

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

- (4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

For the purpose of this Article, delivery or surrender to the transfer agent or registrar which maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

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

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

## **5.3 Transferor Remains Shareholder**

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

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

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

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

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

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

## **5.6 Transfer Fee**

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

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

The legal personal representative of a shareholder has the same rights, privileges and obligations with respect to the shares as were 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. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

## **7. PURCHASE OF SHARES**

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

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

### **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:

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

### **7.3 Redemption of Shares**

If the Company proposes to redeem some but not all of the shares of any class, the directors may, subject to any special rights and restrictions attached to such class of shares, determine the manner in which the shares to be redeemed shall be selected.

### **7.4 Sale and Voting of Purchased Shares**

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

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

## **8. BORROWING POWERS**

### **8.1 Powers of the Company**

The Company, if authorized by the directors, may:

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

### **8.2 Bonds, Debentures, Debt**

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

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
  - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
  - (d) if the Company is authorized to issue shares of a class of shares with par value:
    - (i) decrease the par value of those shares; or
    - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
  - (e) change all or any of its unissued shares with par value into shares without par value or any of its unissued shares without par value into shares with par value or change all or any of its fully paid issued shares with par value into shares without par value; or
  - (f) alter the identifying name of any of its shares; and
- (2) by ordinary resolution otherwise alter its shares or authorized share structure;

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

### **9.2 Special Rights and Restrictions**

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

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, 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
- (2) by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above if any of the shares of the class or series of shares have been issued,

and alter its Notice of Articles and 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 and may, by directors' resolution or ordinary resolution, in each case as determined by the directors, adopt or change any translation of that name.

### **9.4 Other Alterations**

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors, alter these Articles.

## **10. MEETINGS OF SHAREHOLDERS**

### **10.1 Annual General Meetings**

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

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

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution 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, at any time, call a meeting of shareholders.

### **10.4 Location of Meetings of Shareholders**

A meeting of the Company may be held:

- (1) in the Province of British Columbia;
- (2) at another location outside British Columbia if that location is:
  - (a) approved by resolution of the directors before the meeting is held; or
  - (b) approved in writing by the Registrar of Companies before the meeting is held.

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

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by 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:

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

### **10.6 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 together with a copy of the proposed resolution at least the following number of days before the meeting:

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

### **10.7 Record Date for Notice**

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

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

### **10.8 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.

#### **10.9 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 that entitlement or may agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

#### **10.10 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 or a circular prepared in connection with the meeting must:

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

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

#### **11.1 Special Business**

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

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

- (d) the setting or changing of the number of directors;
- (e) the election or appointment of directors;
- (f) the appointment of an auditor;
- (g) the setting of the remuneration of an auditor;
- (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
- (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a 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 present or represented by proxy.

### **11.4 Persons Entitled to Attend Meeting**

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

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

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

If, at the meeting to which the meeting referred to in Article 11.6(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the meeting shall be terminated.

#### **11.8 Chair**

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

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

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

If, at any meeting of shareholders, there is no chair of the board or president willing to act as chair of the meeting or present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose a director, officer or corporate counsel to be chair of the meeting or if none of the above persons are present or if they decline to take the chair, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

#### **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 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 any shareholder entitled to vote who is present in person or by proxy.

### **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, the chair of a meeting of shareholders, either on a show of hands or on a poll, does not 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 11.17, if a poll is duly demanded at a meeting of shareholders:

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

### **11.17 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 proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

## **12. VOTES OF SHAREHOLDERS**

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

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

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

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

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

### **12.3 Votes by Joint Holders**

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

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

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

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages. Notwithstanding the foregoing, a corporation that is a shareholder may appoint a proxy holder.

#### **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 or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

#### **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 up to two proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

#### **12.8 Alternate Proxy Holders**

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

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

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting; or
- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting.

#### **12.10 Deposit of Proxy**

A proxy for a meeting of shareholders must:

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

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

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

**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:

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

\_\_\_\_\_  
Signed [month, day, year]

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

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

### **12.13 Revocation of Proxy**

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

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

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

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

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

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

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

## **13. DIRECTORS**

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

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

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

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

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

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

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors, subject to Article 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

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

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

### **13.4 Qualifications of Directors**

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

### **13.5 Remuneration of Directors**

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

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

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

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

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

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

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

## **14. ELECTION AND REMOVAL OF DIRECTORS**

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

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

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

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

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

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

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

If:

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

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

- (3) when his or her successor is elected or appointed; and

- (4) 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, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **14.8 Additional Directors**

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

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

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

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

A director ceases to be a director when:

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

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

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

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

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

### **15. ALTERNATE DIRECTORS**

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

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

#### **15.2 Notice of Meetings**

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

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

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

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

### **15.4 Consent Resolutions**

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

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

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

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

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

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

The appointment of an alternate director ceases when:

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

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

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

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

### **16.1 Powers of Management**

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

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

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

## **17. 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:

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

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all directors who wish to participate in the meeting, 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 secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the directors at any time.

### **18.6 Notice of Meetings**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### **19.2 Appointment and Powers of Other Committees**

The directors may, by resolution:

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

### **19.3 Obligations of Committees**

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

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

### **19.4 Powers of Board**

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

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

### **19.5 Committee Meetings**

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

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for

holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

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

## **20. OFFICERS**

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

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

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

The directors may, for each officer:

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

### **20.3 Qualifications**

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

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

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

## **21. INDEMNIFICATION**

### **21.1 Definitions**

In this Article 21:

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

#### **21.2 Mandatory Indemnification of 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**

Subject to any restrictions in the *Business Corporations Act* and these Articles, 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:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;

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

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

## **22. DIVIDENDS**

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

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

### **22.2 Declaration of Dividends**

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

### **22.3 No Notice Required**

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

### **22.4 Record Date**

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

- (1) set the value for distribution of specific assets;

- (2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

#### **22.7 When Dividend Payable**

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

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

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

#### **22.9 Receipt by Joint Shareholders**

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

#### **22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

#### **22.11 Fractional Dividends**

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

#### **22.12 Payment of Dividends**

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

#### **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. ACCOUNTING RECORDS AND AUDITORS**

### **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.

### **23.3 Remuneration of Auditors**

The directors may set the remuneration of the auditors. If the directors so decide, the remuneration of the auditors will be determined by the shareholders.

## **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 (for the purposes of this Article 24, a "record") required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

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

- (3) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (5) making the record available for public electronic access in accordance with the procedures referred to as "notice-and-access" under National Instrument 54-101 and National Instrument 51-102, as applicable, of the Canadian Securities Administrators, or in accordance with any similar electronic delivery or access method permitted by applicable securities legislation from time to time; or
- (6) physical delivery to the intended recipient.

#### **24.2 Deemed Receipt**

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

- (1) 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;
- (2) 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;
- (3) 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 date it was e-mailed; and
- (4) made available for public electronic access in accordance with the "notice-and-access" or similar delivery procedures referred to in Article 24.1(5) is deemed to be received by a person on the date it was made available for public electronic access.

#### **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 such record 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:

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

## **24.6 Undelivered Notices**

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

## **25. SEAL**

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

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

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

### **25.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 25.1, the impression of the seal may be attested by the signature of any director or officer 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 such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## **26. PROHIBITIONS**

### **26.1 Definitions**

In this Article 26:

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

### **26.2 Application**

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

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

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

**SCHEDULE C  
DLP PROPERTIES**

*[See attached]*

**DLP RESOURCES INC.**

as at Sept.16/19

**List of Mineral Claims****ALDRIDGE 1 (RJ)**

Title Number	Claim Name	Owner	Expiry Date	Area (ha)
1059304	JR 1	286231 (100%) DLP RESOURCES INC.	2020/JUL/10	464.2776
1059308	JR 2	286231 (100%) DLP RESOURCES INC.	2020/JUL/10	84.4165
1059413	JR 3	286231 (100%) DLP RESOURCES INC.	2020/JUL/10	126.6358
1065272	RJ1	286231 (100%) DLP RESOURCES INC.	2020/JUN/01	464.4587
1065273	RJ2	286231 (100%) DLP RESOURCES INC.	2020/JUN/01	506.8391
1065274	RJ3	286231 (100%) DLP RESOURCES INC.	2020/JUN/01	528.1486
1065275	RJ4	286231 (100%) DLP RESOURCES INC.	2020/JUN/01	359.2625
1065276	RJ5	286231 (100%) DLP RESOURCES INC.	2020/JUN/01	274.8084
1069296	RJ6	286231 (100%) DLP RESOURCES INC.	2020/JUN/24	105.5872

**ALDRIDGE 2 (JR)**

Title Number	Claim Name	Owner	Expiry Date	Area (ha)
1061350	JR 4	286231 (100%) DLP RESOURCES INC.	2020/SEP/30	463.6697
1061351	JR 5	286231 (100%) DLP RESOURCES INC.	2020/SEP/30	337.3201
1061352	JR 6	286231 (100%) DLP RESOURCES INC.	2020/SEP/30	337.3977
1065280	JR7	286231 (100%) DLP RESOURCES INC.	2020/SEP/30	421.6291
1065281	JR8	286231 (100%) DLP RESOURCES INC.	2020/SEP/30	295.1519

**REDBURN**

Title Number	Claim Name	Owner	Expiry Date	Area (ha)
1068454	REDBURN 1	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	503.3494
1068455	REDBURN 2	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	402.6832
1068457	REDBURN 3	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	483.2953
1068458	REDBURN 4	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	463.2631
1068459	REDBURN 5	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	423.0119
1068461	REDBURN 6	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	483.6369
1068463	REDBURN 7	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	503.7688
1068464	REDBURN 8	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	503.793
1068465	REDBURN 9	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	483.8525
1068466	REDBURN 10	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	483.8601
1068467	REDBURN 11	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	322.5357
1068468	REDBURN 12	286231 (100%) DLP RESOURCES INC.	2020/MAY/09	302.4625

**HUNGRY CREEK**

Title Number	Claim Name	Owner	Expiry Date	Area (ha)
1070032	HUNGRY MINER 1	286231 (100%) DLP RESOURCES INC.	2020/AUG/01	376.0185
1070033	HUNGRY MINER 2	286231 (100%) DLP RESOURCES INC.	2020/AUG/01	397.0373
1070138	HUNGRY MINER 3	286231 (100%) DLP RESOURCES INC.	2020/AUG/06	522.0702
1070139	HUNGRY MINER 4	286231 (100%) DLP RESOURCES INC.	2020/AUG/06	208.8248
1070140	HUNGRY MINER 5	286231 (100%) DLP RESOURCES INC.	2020/AUG/06	334.2881
1070141	HUNGRY MINER 6	286231 (100%) DLP RESOURCES INC.	2020/AUG/06	313.5306
1070429	HUNGRY MINER 7	286231 (100%) DLP RESOURCES INC.	2020/AUG/17	438.3929
1070430	HUNGRY MINER 8	286231 (100%) DLP RESOURCES INC.	2020/AUG/17	417.6311
1070431	HUNGRY MINER 9	286231 (100%) DLP RESOURCES INC.	2020/AUG/17	522.2267
1070432	HUNGRY MINER 10	286231 (100%) DLP RESOURCES INC.	2020/AUG/17	417.932
1070435	HUNGRY MINER 11	286231 (100%) DLP RESOURCES INC.	2020/AUG/17	313.5369

**STRATEGY**

Title Number	Claim Name	Owner	Expiry Date	Area (ha)
1070630	STRATEGY	286231 (100%) DLP RESOURCES INC.	2020/AUG/26	211.0034