

This is the 4th affidavit
of Abraham Jonker in this case
and was made on 9 / 05 / 2014

No. B131400
Estate No. 11-1806986
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
EASTCOAL INC.**

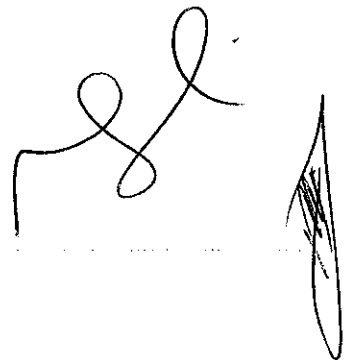
AFFIDAVIT

I, **ABRAHAM JONKER**, of Suite 605, 1166 Alberni Street, Vancouver, British Columbia, Chartered Accountant, **SWEAR THAT:**

1. I am the President, acting Chief Financial Officer and a director of EastCoal Inc. (the "**Company**"), and as such have personal knowledge of the facts and matters hereinafter deposed to by me save and except where stated to be made upon information and belief and where so stated I verily believe the same to be true.
2. I am authorized to make this affidavit on behalf of the Company.

Proposal to the Creditors

3. I have reviewed the Proposal of the Company dated April 10, 2014 (the "**Proposal**"), and am familiar with its terms.
4. As set out in my previous affidavits, after selling the majority of its assets, the Company felt there was still value in its shares as a publicly listed entity, and that it could seek a further investment that would pay the creditors more than they would have recovered in a bankruptcy.
5. In general terms, the Proposal involves several investors subscribing for additional shares of the Company (the "**Share Subscriptions**"). The investors include a major shareholder, Salida Capital International Ltd. ("**Salida**"), and most or all of the current directors of the Company.

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6. Part of the proceeds from the Share Subscriptions will be used to create a \$450,000 fund to pay unsecured creditors roughly \$0.14 per dollar of claim. The balance of the funds is required by the Company to pay for corporate expenses that will arise while it seeks to acquire new assets through a further transaction or transactions.

Result of Creditor Meeting

7. The meeting of creditors in respect of the Proposal was held April 22, 2014. At that meeting, the Proposal was unanimously approved by the creditors who voted on the Proposal.

8. Now shown to me and attached hereto as **Exhibit "A"** is a copy of a press release issued by the company after the creditor vote.

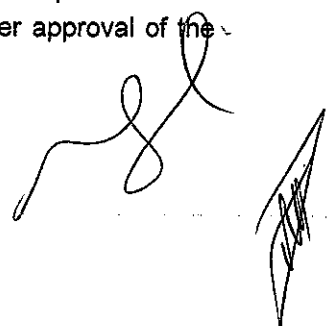
Listing of Company on NEX Exchange

9. Now shown to me and attached hereto as **Exhibit "B"** is a copy of the NEX Policies, which I understand applies to companies listed on the NEX Exchange.

10. In negotiating the terms of the Share Subscriptions, the Company did everything it could reasonably do to comply with the NEX Policies. However, given the nature of the investment being sought by the Company and the limited financial resources it has at its disposal, it was not able to comply with all of the policies in completing the agreements under which the Share Subscriptions will complete (the "**Agreements**"), in particular any policy that would otherwise require the Company to convene and hold a shareholder meeting and have drafted, filed and mailed an information circular for the purposes of any such shareholder meeting.

11. In particular, the completion of the transactions contemplated by the Agreements will result in the Company breaching the following policy rules of the NEX Exchange:

- (a) shares are being offered at \$0.005 per share, below the minimum share issuance price of \$0.05 established by section 5.1 of the NEX Policies;
- (b) the transactions will result in the creation of a new control person, which would ordinarily require the Company to seek shareholder approval under section 5.2 of the NEX Policies. However, the company does not have the financial resources to call a shareholder meeting, as all available funds (other than those needed to maintain the Company post-Proposal) are being paid to creditors under the Proposal;
- (c) similarly, section 10.1 of the NEX Policies (which incorporates TSX Venture Exchange Policy 5.8) would require shareholder approval of the

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proposed 10 to 1 share consolidation contemplated by the Agreements;
and

- (d) lastly, section 5.3 of the NEX Policies prohibits share offerings in excess of \$500,000 in any twelve month period, unless the excess amount is used to settle debt with cash and at least \$500,000 is left in working capital, which may not be the case at the conclusion of these transactions.

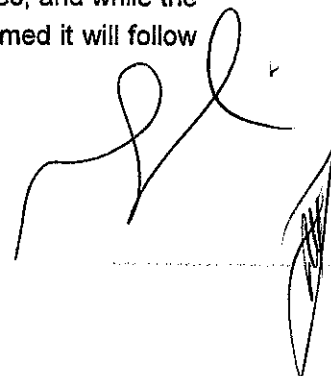
12. As a result of these breaches, I understand that the NEX Board of the TSX Venture Exchange Inc. (herein, the "Exchange") would ordinarily have discretion to delist the Company.

13. I am advised by Michael Stephens, counsel for the Company ("Counsel"), that there have been several discussions with the Exchange seeking a waiver of compliance with the above policies for the limited purpose of allowing the Company to complete the Share Subscriptions and the Proposal. I am further advised by Counsel that while the Exchange did consider a waiver of Sections 5.2 and 5.3 of the NEX Policies in the context of the Share Subscriptions and the Proposal, it has, to date, been unwilling to provide a waiver with respect to sections 5.1 and 10.1 of the NEX Policies in the context of the Share Subscriptions and the Proposal.

14. I am advised by Counsel that the Exchange did not initially identify any specific public policy rationale to justify its refusal to waive compliance with those policies in this instance.

15. I am also advised by Counsel that when the rationale behind the Exchange's refusal to provide the requested waiver was questioned in light of the only alternative transaction to the Share Subscriptions and the Proposal, being bankruptcy, the Exchange stated that there were other companies listed on the NEX Board who had undergone similar transactions and had managed to retain their listing on the NEX Board. Upon further discussion with the Exchange on such matters, it became apparent to Counsel that other companies had managed to retain their listing on the NEX Board following transactions that breached the NEX Policies where such transactions were effected pursuant to a court order in which the Exchange's discretion to delist for such breaches was stayed by order of the court.

16. Lastly, I understand that Counsel has raised with the Exchange the possibility of seeking an order from the Bankruptcy Court prohibiting the Exchange from delisting the Company as a result of any of the foregoing breaches of the NEX Policies, and while the Exchange has reserved its right to oppose any such order, it has confirmed it will follow any order that is issued in the context of these proposal proceedings.

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17. After the Share Subscriptions and the Proposal are complete, the Company intends to comply with all NEX Policies and other regulatory requirements, and I believe the Company will be compliant with such rules at that stage. As a result, a stay is only required for the purposes of allowing the Company to complete the Proposal.

18. If the Company is delisted by the NEX Board, it will be unable to complete the transactions contemplated by the Proposal, and creditors will be faced with a bankruptcy scenario where they will recover very little on their claims and the existing shareholders' interest will be effectively eliminated.

Amendment to Corporate Articles

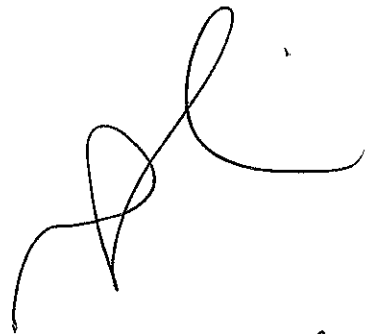
19. Now shown to me and attached hereto as **Exhibit "C"** is a copy of the Articles of the Company.

20. As specified in the foregoing Articles, the Company may effect a consolidation of its issued share capital by way of a board resolution subject to "stock exchange requirements".

21. As set out above, Section 10.1 of the NEX Policies requires shareholder approval for the 10 to 1 consolidation proposed by the Share Subscriptions and the Proposal.

22. As further set out above, the Company does not have the financial resources to hold a shareholder meeting with respect to the 10 to 1 consolidation proposed by the Share Subscriptions and the Proposal, as all available funds are being used to fund the Proposal.

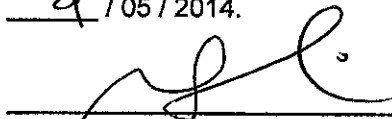
23. As a result, in order to complete the Share Subscriptions and the Proposal, the Company requires an amendment to the Articles of the Company to complete the 10 to 1 consolidation associated with the Share Subscriptions by directors' resolution, notwithstanding the stock exchange requirements prescribed by Section 10.1 of the NEX Policies.


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Result of Restructuring

24. My fellow directors and officers and myself have worked very hard to negotiate the best transaction for all stakeholders of the Company. I believe that the Share Subscriptions and the Proposal represent the best possible outcome for all concerned, and is a much better outcome than a bankruptcy for both the creditors and the shareholders.

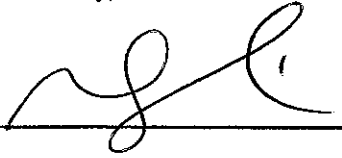
SWORN BEFORE ME at
Sandton, South Africa, on
9 / 05 / 2014.


A Commissioner for taking Affidavits within
South Africa


ABRAHAM JONKER

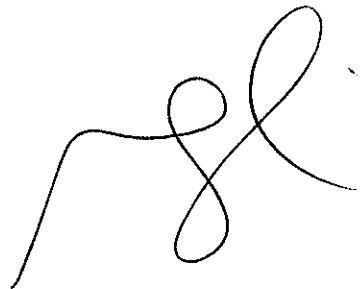
Mohamed Shahid Sulaiman
Commissioner of Oaths
Practising Attorney R.S.A
KapdiTwala Chambers
Ground Floor, Great Westerford
240 Main Road, Rondebosch
Cape Town, South Africa

This is Exhibit "A" referred to in the Affidavit of
Abraham Jonker sworn this 9 day
of May, 2014.



A Commissioner for taking
Affidavits within South Africa

Mohamed Shahid Sulaiman
Commissioner of Oaths
Practising Attorney R.S.A
Kapdi Twala Chambers
Ground Floor, Great Westerford
240 Main Road, Rondebosch
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NEWS RELEASE – April 23, 2014

EASTCOAL ANNOUNCES CREDITOR APPROVAL OF PROPOSAL

EastCoal Inc. (NEX: ECX.H, AIM: ECX) ("EastCoal" or the "Company") is pleased to announce that the Company's proposal to its creditors (the "Proposal") pursuant to the Bankruptcy and Insolvency Act (Canada) (the "BIA") was unanimously approved by the creditors voting in person and by voting letter at the meeting of creditors held on April 22, 2014.

Pursuant to the requirements of the BIA, the proposal trustee, Deloitte Restructuring Inc. (the "Proposal Trustee") and the Company intend to seek an order from the Supreme Court of British Columbia approving the Proposal (the "Order"). Implementation of the Proposal is subject to receipt of the Order and to satisfaction or waiver of certain other conditions precedent set forth in the Proposal.

Assuming satisfaction or waiver of the conditions within the expected time frames, the Company anticipates implementing the Proposal in June 2014.

The board of directors of the Company has decided to proceed with the Proposal in order to allow the Company to continue as a going concern while maximizing realizations to unsecured creditors as compared to a bankruptcy of the Company.

In connection with the Proposal, the Company has entered into conditional share subscription agreements with a group of investors. This group of investors includes Abraham Jonker and John Conlon (both of whom are directors of the Company) and Salida Capital International Ltd. (who is an insider of the Company and its largest shareholder). Subject to the conditions precedent described above, such investors will acquire, on a private placement basis, approximately a 95% of the Company's issued and outstanding share capital on payment of an amount not less than \$700,000.

Following the closing of the Proposal, the following insiders are expected to own or control the following percentages of the Company's issued and outstanding share capital:

1. Abraham Jonker – 6.6%;
2. John Conlon – 13.4%; and
3. Salida Capital International – 19.9%.

Because the Proposal involves the issuance of shares to certain insiders of the Company, the Proposal will be a "related party transactions" within the meaning of Multilateral Instrument 61-101 ("MI 61-

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101") which is incorporated into rules of the NEX Exchange through the TSX Venture Exchange ("TSX-V") Policy 5.9.

In conducting their review and approval process with respect to the Proposal and the proposed issuance of the shares, the board of directors of the Company determined that the distribution of an information circular to shareholders, the preparation and distribution of a formal valuation and the seeking of shareholder approval for, and in connection with, the Proposal and the proposed issuance of shares is not necessary under MI 61-101 because:

1. for the purposes of Section 5.5(f) of MI 61-101 the Proposal is to be effected under bankruptcy law and the Supreme Court of British Columbia will be informed of the formal valuation requirement of MI 61-101, and on that basis the Proposal and the proposed issuance of the shares fall within an exemption from the formal valuation requirement of Section 5.4 of MI 61-101; and
2. for the purposes of Section 5.7(1)(d) of MI 61-101 the Proposal is to be effected under bankruptcy law and the Supreme Court of British Columbia will be informed of the minority approval requirement of MI 61-101, and on that basis the Proposal and the proposed issuance of the shares fall within an exemption to the minority shareholder approval requirement of Section 5.6 of MI 61-101.

The shares (when issued pursuant to the Proposal) will be subject to a four month hold period.

In connection with the Proposal, the Company will also be proceeding with a share consolidation of its issued and outstanding common shares subject to the receipt of the Order.

The consolidation is expected to be effective after the Proposal has been completed. The consolidation is proposed to be on a ratio of ten (10) pre-consolidation common shares to one (1) post-consolidation common shares, consolidating the Company's **72,804,853** issued and outstanding common shares to **7,280,485** common shares following the consolidation.

Inquiries regarding the Proposal and the BIA proceeding should be directed to the Proposal Trustee (Paul Chambers +1 604 640 3368). A copy of the Proposal is available on the website of the Proposal Trustee at www.deloitte.com/ca/eastcoal.

Contacts:

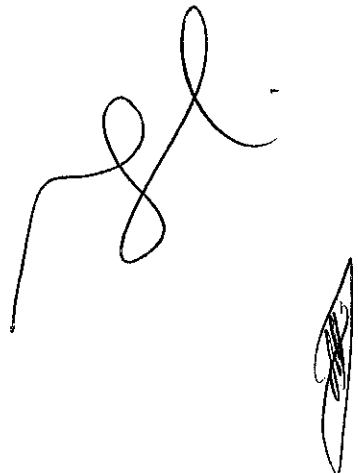
EastCoal Inc.

Abraham Jonker, President +1 (604) 681-8069

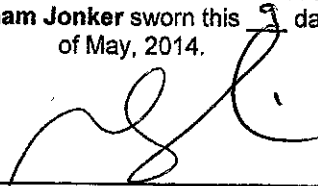
Cenkos Securities plc

Alan Stewart/Derrick Lee +44 (0) 131 220 6939

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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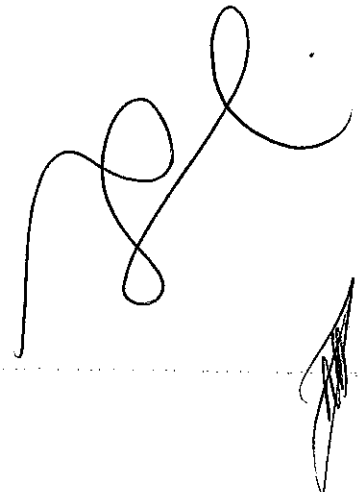
This is Exhibit "B" referred to in the Affidavit of
Abraham Jonker sworn this 1 day
of May, 2014.



A Commissioner for taking
Affidavits South Africa

Mohamed Shahid Sulaiman

Commissioner of Oaths
Practising Attorney R.S.A
Kapdi Twala Chambers
Ground Floor, Great Westerford
240 Main Road, Rondebosch
Cape Town, South Africa





NEX POLICY

MARKET STATEMENT

NEX is a separate board of the TSX Venture Exchange. NEX is designed for Companies previously listed on TSX Venture Exchange or Toronto Stock Exchange that have failed to comply with the ongoing financial listing standards of those markets. NEX provides a trading forum for publicly listed shell Companies while they seek and undertake transactions which will result in the Company carrying on an active business.

DISCRETION

NEX reserves the right to exercise its discretion in applying its policies. NEX can waive or modify its existing requirements or impose additional requirements. Listing on NEX is a privilege, not a right, and NEX may refuse to list any Company.

1. INTERPRETATION

Definitions

1.1 In these Policies:

"Business Days" means full days on which business is normally conducted and does not include statutory holidays and weekends. In the case of a filing, business days do not include the day on which the filing is made. For example where a Company files a transaction on a Monday, if NEX has any objection, it will respond within three business days, meaning by the close of business on Thursday.

"Company" and **"Companies"** include any form of legal entity previously listed on TSX Venture Exchange or Toronto Stock Exchange.

"Listed Company" and **"Listed Companies"** refer to companies listed on NEX.

"NEX" refers to the board of TSX Venture known as "NEX" and governed by these policies.

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"NEX Requirements" means and includes the policies, rules (including UMIR), orders, notices, rulings, forms, decisions and regulations of NEX, and any instructions, decisions and directions of a Regulation Services Provider or NEX, and all applicable provisions of the Securities Laws of any applicable jurisdiction.

"TSX Venture" means TSX Venture Exchange.

References to TSX Venture Policies

- 1.2 Unless otherwise noted, all other capitalized terms have the same meanings as defined in the policies of TSX Venture, except that references to the Exchange are substituted with references to NEX.
- 1.3 Where Listed Companies are required to comply with TSX Venture policies, references to the Exchange in those policies will be read so as to refer to NEX as applicable.

2. LISTING

Eligibility/Qualification for Listing

- 2.1 The following Companies are eligible for listing on NEX:
 - a. Companies that have failed to comply with TSX Venture's Tier Maintenance Requirements for Tier 2 Issuers or Toronto Stock Exchange's continuous listing requirements; and
 - b. former TSX Venture Capital Pool Companies ("CPCs") which have not completed a Qualifying Transaction within the time permitted under the CPC policy and have obtained the requisite shareholder approval to list on NEX.
- 2.2 In order to qualify to trade on NEX, a Company must:
 - a. be in good standing with TSX Venture or Toronto Stock Exchange (other than the failure to comply with TSX Venture's Tier Maintenance Requirements for Tier 2 Issuers or Toronto Stock Exchange's continuous listing requirements);
 - b. be a reporting issuer in good standing with all relevant securities regulatory authorities and under corporate law; and
 - c. have a minimum of 150 public shareholders, each holding at least one board lot of freely tradable securities.

- 2.3 Companies that are eligible for listing, but not qualified to trade on NEX will be listed on NEX, but have trading in their securities halted or suspended until such time that they meet the above noted criteria.
- 2.4 Where the Company is a CPC, it must:
- a. obtain majority shareholder approval for the transfer to NEX exclusive of the votes of Non-Arm's Length Parties of the CPC; and
 - b. either
 - (i) cancel all Seed Shares purchased by Non-Arm's Length Parties to the CPC at a discount from the IPO price, in accordance with section 11.2(a) of TSX Venture Policy 2.4 - *Capital Pool Companies*, or
 - (ii) subject to majority shareholder approval, cancel an amount of Seed Shares purchased by Non Arm's Length Parties to the CPC so that the average cost of the remaining Seed Shares is at least equal to the IPO price.

Refusal of Listing

- 2.5 NEX may refuse to list any Company where it determines in its discretion that such refusal to list is in the best interests of NEX. Circumstances where NEX may refuse to list a Company may include:
- a. where the capital structure, float or distribution of the Company's securities are not acceptable to NEX; or
 - b. where the identity of insiders and /or other shareholders cannot be identified to the satisfaction of NEX.

Filing Requirements

- 2.6 Companies transferring their listing to NEX must submit the following documents:
- a. Listing Notification (Form A); and
 - b. any other document that may be required by NEX.

3. MANAGEMENT AND CORPORATE GOVERNANCE

Directors, Officers and Insiders

- 3.1 A Listed Company must have at least 3 directors:
- at least one of whom must not be an employee, senior officer, Control Person or management consultant of the Company, its Associates or Affiliates;
 - at least one of whom must have public company experience satisfactory to NEX;
 - all of whom must meet the requirements of section 2.3 of TSX Venture Policy 3.1 - *Directors, Officers and Corporate Governance*; and
 - none of whom may be of the classes of persons enumerated by section 2.4 of TSX Venture Policy 3.1.
- 3.2 NEX will review the suitability of all directors, officers and Insiders of a Listed Company and may, in its discretion:
- refuse to list; or
 - delist;
- any Listed Company with management or Insiders that are unacceptable to NEX.
- 3.3 A Listed Company must immediately inform NEX of any proposed change in the directors, officers and Insiders of the Company by filing:
- Form E - *Notice of Change of Management* including a completed Personal Information Form (TSX Venture Form 2A) or, if applicable, a Declaration (TSX Venture Form 2C1), for each new director and officer; and
 - a Personal Information Form or, if applicable, a Declaration, for each new Insider.
- 3.4 The board of directors of each NEX Company must adopt procedures to ensure that all employment, consulting or other compensation arrangements between the Company and any director or senior officer of the Company or between any subsidiary of the Company and any director or senior officer are considered and approved by its independent director(s).

4. DISCLOSURE/FILING

Disclosure

4.1 Listed Companies must comply with all disclosure provisions of all applicable Securities Laws.

4.2 Listed Companies must comply with TSX Venture Policy 3.3 - *Timely Disclosure*.

4.3 Disclosure of Management Compensation

(a) The Issuer must include the following disclosure in its interim MD&A unless it is included in its financial statements. The Issuer must also make this disclosure in its annual MD&A unless such disclosure is made in its financial statements, Annual Information Form or Information Circular:

- (i) any standard compensation arrangements made directly or indirectly with directors and officers of the Listed Company for their services as directors or officers, or in any other capacity, from the Listed Company and its subsidiaries during the most recently completed financial quarter. The disclosure must state the amounts paid and payable under the arrangements and must include any additional amounts payable for committee participation or special assignments;
- (ii) any other arrangements under which directors and officers were directly or indirectly compensated for their services as directors and officers, or in any other capacity, from the Listed Company and its subsidiaries during the most recently completed financial quarter. The disclosure must state the amounts paid and payable and the name of the director or officer; and
- (iii) any arrangement relating to severance payments to be paid to directors and officers of the Listed Company and its subsidiaries, entered into during the most recently completed financial quarter.

General Filing Requirements

- 4.4 Listed Companies must file all materials required by NEX Policies with NEX which is located at:

#2700 – 650 West Georgia Street
P.O. Box 11633
Vancouver, B.C.
V6B 4N9
Phone: (604) 689-3334
toll free: 1-866-344-5639
fax: (604) 844-7502
website: <http://www.tsx.com/en/nex>

- 4.5 Listed Companies must ensure NEX is provided with a current address, telephone number, fax number, email address, and contact person's name to which NEX communication, as well as shareholder and public inquiries can be directed.

5. SHARE ISSUANCES /FINANCING TRANSACTIONS/MATERIAL TRANSACTIONS**Pricing**

- 5.1 All share issuances (including private placements, shares for debt, and acquisitions) are subject to the same price protection mechanisms and pricing policies as would apply to such transactions on TSX Venture, including the minimum issuance price of \$0.05 for shares and \$0.05 exercise price per share for warrants and incentive stock options. For the purposes of NEX, the Price Reservation Form is Form B.

Limitations

- 5.2 A Listed Company must obtain shareholder approval if:
- it proposes to issue more than 100% of its outstanding shares in any 12 month period; and
 - a new Control Person is created.

For the purposes of this calculation, agent compensation is excluded, and the numerator is comprised of the proposed securities to be issued, including securities reserved for issuance, and the denominator is comprised of issued and outstanding securities, also including securities reserved for issuance.

- 5.3 A Listed Company may not raise more than \$500,000 in aggregate through the issuance of securities in any 12 month period. Debt settled pursuant to a shares for debt arrangement are not included in this calculation.
- 5.4 Notwithstanding section 5.3, a Listed Company may undertake a one-time financing of up to \$1,000,000 in addition to the yearly \$500,000 allowance, where the proceeds will be used to settle debt with cash, bring the Listed Company's continuous disclosure record up to date and leave the Listed Company with up to \$500,000 in working capital.
- 5.5 A Listed Company may not enter into contracts or arrangements for the provision of Investor Relations Activities.
- 5.6 A Listed Company may not pay finders' fees, commissions or similar compensation to Non Arm's Length Parties.
- 5.7 A Listed Company that was formerly a CPC must continue to comply with the all of the requirements and restrictions in TSX Venture Policy 2.4 - *Capital Pool Companies*.

Related Party Transactions

- 5.8 Listed Companies undertaking Related Party Transactions (as defined in TSX Venture Policy 5.9 or other transactions contemplated by TSX Venture Policy 5.9, must comply with the provisions of that Policy.

Filing

- 5.9 Listed Companies undertaking any issuance of securities must submit Form C at least seven business days in advance of the issuance.
- 5.10 Listed Companies must advise NEX of transactions that are material but do not involve the issuance of equity securities. These transactions include material acquisitions, dispositions, option agreements, joint venture agreements, license agreements and loans or any other material contracts and obligations.
- 5.11 Listed Companies undertaking transactions as set out in 5.10 above must submit Form F – *Material Transactions Form* at least seven business days in advance of the closing of such transaction.
- 5.12 Listed Companies must issue and file a news release upon closing of all transactions filed pursuant to section 5 of NEX Policies.

- 5.13 If NEX has any objections to the proposed transactions required to be filed by a Listed Company, it will notify the Listed Company by the end of the third business day following receipt of the Form C or Form F.
- 5.14 Non-disapproval of transactions pursuant to section 5.13 above should not and does not imply that NEX has reviewed the transaction(s) in respect of the Company's continuing eligibility for listing pursuant to section 8.1.

NEX Hold Period and Share Legends

- 5.15 Listed Companies must comply with the hold periods and legending requirements as required by section 5.3 of TSX Venture Policy 3.2 - *Filing Requirements and Continuous Disclosure*.

6. WARRANTS

- 6.1 The exercise price of Warrants must be no less than the greater of the offering price and the Market Price of the securities to which they are attached.
- 6.2 The maximum term for a Warrant is 12 months from the date of issue.
- 6.3 The number of shares issued pursuant to the exercise of Warrants cannot exceed the number of issued securities to which they are attached.
- 6.4 Where properly authorized by the board of directors of a Listed Company, the Listed Company may alter the terms of a class of Warrants provided that none of the Warrants of that class have been exercised or traded.

7. INCENTIVE STOCK OPTIONS

- 7.1 Listed Companies must maintain compliance with TSX Venture policies regarding the pricing and terms of incentive stock options, however, the adoption of a stock option plan is not required for Listed Companies. The maximum number of options that may be reserved for issuance or issued in any 12 month period is limited to 10% of the issued and outstanding securities of the Company. If upon listing, the Listed Company had a stock option plan that reserved options in excess of this 10% limit, the grant and exercise of such options will be limited to 10% in any 12 month period, and no additional reservations or issuance of stock options may be made in excess of the required limits.

- 7.2 Listed Companies undertaking option transactions (including grant and amendment of options) must submit Form D - *Notice of Stock Option Grant or Amendment* immediately on undertaking the transaction.
- 7.3 If NEX has any objections to the proposed option transaction, it will notify the Listed Company within three business days following receipt of the Form D.

8. SIGNIFICANT TRANSACTIONS

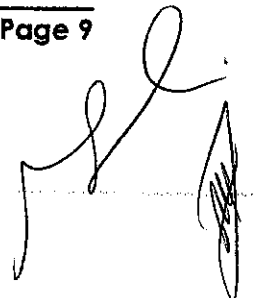
- 8.1 Any Listed Company which undertakes a Change of Business or Reverse Takeover as defined in the TSX Venture policies or undertakes:
- a. a transaction or transactions that exceed of the limits in section 5.2 above; or
 - b. a transaction or combination of transactions that result in the Listed Company satisfying TSX Venture Tier 2 Minimum Listing Requirements on a sustainable basis,

will no longer be eligible for listing on NEX and must graduate to TSX Venture or be delisted upon closing of that transaction.

- 8.2 NEX has discretion in determining whether a transaction meets the definition of Change of Business or Reverse Takeover and otherwise applying the provisions in section 8.1(a) for the purposes of this policy.
- 8.3 A Listed Company that announces a Change of Business or Reverse Takeover will be subject to the TSX Venture policies governing those transactions including those relating to trading halts, except that upon resumption of trading after the initial halt, the Company will continue trading on NEX until the date of the closing of the transaction. Where the transaction fails to close, the Listed Company may remain eligible for listing on NEX. See TSX Venture Policy 5.2 - *Changes of Business and Reverse Takeovers*.

9. SIGNIFICANT CONNECTION TO ONTARIO

- 9.1 Listed Companies must comply with the policies relating to the Assessment of a Significant Connection to Ontario, in section 18 of TSX Venture Policy 3.1 - *Directors, Officers and Corporate Governance*.



10. NAME CHANGES, SHARE CONSOLIDATIONS AND SPLITS

- 10.1 Listed Companies must comply with TSX Venture Policy 5.8 - *Name Change, Share Consolidations and Splits*, provided that NEX Form G - *Notice of Name Change, and/or Consolidation/Split* must be used rather than TSX Venture Form 5I.

11. TRADING HALTS AND SUSPENSIONS

- 11.1 Sections 1 and 2, and the applicable portions of section 3 of TSX Venture Policy 2.9 - *Trading Halts, Suspensions and Delistings* apply to Companies listed on NEX.

12. DELISTING

- 12.1 NEX may in its discretion, delist the securities of any Listed Company:
- a. if the Listed Company fails to comply with:
 - (i) the policies of NEX;
 - (ii) applicable Securities Laws;
 - (iii) any other laws, rules or policies of any applicable regulatory authority,
 - b. if the capital structure, public float, or distribution of the Listed Company is not acceptable to NEX;
 - c. if the Listed Company becomes ineligible for listing based on the policies of NEX; or
 - d. if NEX otherwise determines it is in the best interests of NEX to do so.
- 12.2 Companies delisting from NEX must comply with the procedures in TSX Venture Policy 2.9 - *Trading Halts, Suspensions and Delisting*.

13. TRANSFER AGENT, REGISTRAR AND SECURITY CERTIFICATES

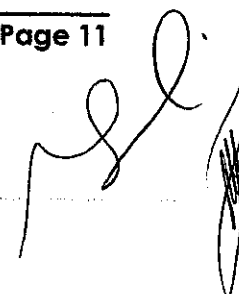
- 13.1 Listed Companies must comply with sections 3 and 4 of TSX Venture Policy 3.1 - *Directors, Officers and Corporate Governance*.

14. TRADING

- 14.1 Firms with trading privileges in good standing on TSX Venture or Toronto Stock Exchange are entitled to trade on NEX.
- 14.2 The trading rules applicable to NEX are the same as the trading rules applicable to TSX Venture.
- 14.3 NEX has the same trading hours as TSX Venture.

15. FEES

- 15.1 Companies on NEX for any part of a quarter must pay a quarterly Listing Maintenance Fee of \$1,250, payable on the first business day of each quarter. For Companies transferring to NEX during the quarter, the due date of the fee will be indicated on their invoice. The Listing Maintenance Fee is non-refundable for Companies graduating to TSX Venture or delisting.
- 15.2 Failure to pay fees within 30 days after payment is due will result in the securities of these Companies being halted and/or suspended from trading without notice followed by delisting from NEX.
- 15.3 Companies whose securities have been halted or suspended from trading must pay the fees owing, plus a processing fee in order to have their securities brought back to trade. The processing fee is \$250 for Companies whose securities have been halted for failure to pay fees, and \$500, if they have been suspended. The fee for suspended issuers includes the required reinstatement review.
- 15.4 If Listing Maintenance Fees are outstanding at the end of the first month in a quarter in which those fees are due, then in respect of that month and each month thereafter, the Listed Company will be subject to an additional monthly Listing Maintenance Fee of 5% of the quarterly Listing Maintenance Fee.
- 15.5 Any out-of-pocket costs to be incurred by NEX on behalf of a Company will be payable upon request.
- 15.6 NEX reserves the right to charge additional fees in circumstances where an inordinate amount of time is required to process or review Companies' activities.

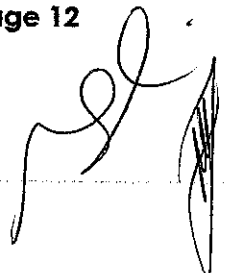
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FORMS

- Form A** - **Listing Notification**
- Form B** - **Price Reservation Form**
- Form C** - **Notice of Proposed Share Issuance and Financing**
- Form D** - **Notice of Stock Option Grant or Amendment**
- Form E** - **Notice of Change in Management**
- Form F** - **Notice of Material Transactions**
- Form G** - **Notice of Name Change, and/or Consolidation / Split**

APPENDIX

- Appendix 1** **Acknowledgement – Personal Information**

A handwritten signature in black ink, appearing to be a stylized name, located in the bottom right corner of the page.

This is Exhibit "C" referred to in the Affidavit of
Abraham Jonker sworn this 9 day
of May, 2014.



A Commissioner for taking
Affidavits within South Africa

Mohamed Shahid Sulaiman
Commissioner of Oaths
Practising Attorney R.S.A
KapdiTwaia Chambers
Ground Floor, Great Westerford
240 Main Road, Rondebosch
Cape Town, South Africa



CANADA
PROVINCE OF BRITISH COLUMBIA

NUMBER
318912



Province of British Columbia
Ministry of Consumer and Corporate Affairs
REGISTRAR OF COMPANIES

COMPANY ACT

Certificate of Incorporation

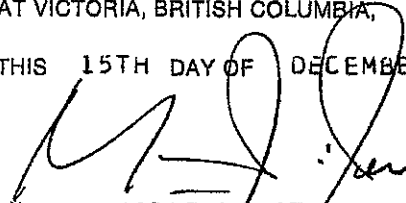
I HEREBY CERTIFY THAT
LYSANDER GOLD CORPORATION

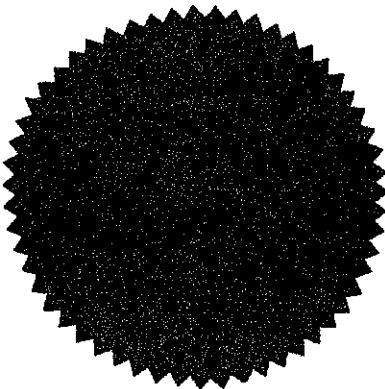
HAS THIS DAY BEEN INCORPORATED UNDER THE COMPANY ACT

GIVEN UNDER MY HAND AND SEAL OF OFFICE

AT VICTORIA, BRITISH COLUMBIA,

THIS 15TH DAY OF DECEMBER, 1986


M. A. JORRE DE ST. JORRE
REGISTRAR OF COMPANIES



DUPLICATE

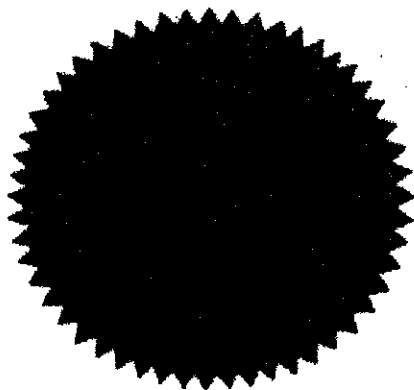
Number: BC0318912



**CERTIFICATE
OF
CHANGE OF NAME**

BUSINESS CORPORATIONS ACT

I Hereby Certify that LYSANDER MINERALS CORPORATION changed its name to EASTCOAL INC. on January 12, 2011 at 01:20 PM Pacific Time.



Issued under my hand at Victoria, British Columbia

On January 12, 2011

RON TOWNSHEND
Registrar of Companies
Province of British Columbia
Canada

DUPLICATE

NUMBER: 318912



**CERTIFICATE
OF
CHANGE OF NAME**

COMPANY ACT

CERTIFIED TRUE COPY OF A DOCUMENT
FILED WITH THE REGISTRAR OF COMPANIES

I Hereby Certify that

MAR 21 2012

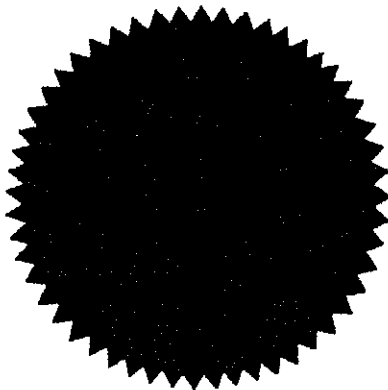

3
RON TOWNSHEND
REGISTRAR OF COMPANIES
PROVINCE OF BRITISH COLUMBIA

LYSANDER GOLD CORPORATION

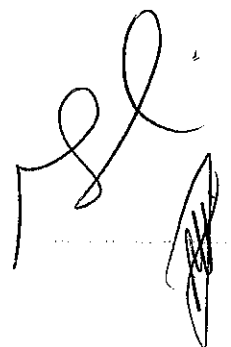
has this day changed its name to

LYSANDER MINERALS CORPORATION

*Issued under my hand at Victoria, British Columbia
on June 30, 1999*



JOHN S. POWELL
Registrar of Companies
PROVINCE OF BRITISH COLUMBIA
CANADA



Number: BC0318912



**CERTIFICATE
OF
CHANGE OF NAME**

BUSINESS CORPORATIONS ACT

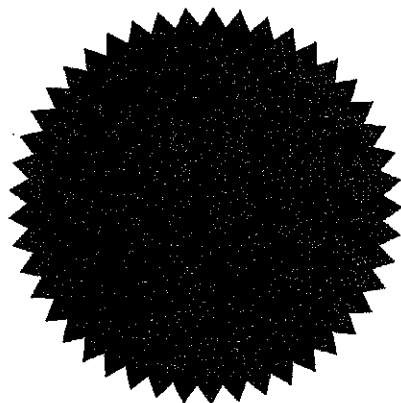
I Hereby Certify that LYSANDER MINERALS CORPORATION changed its name to EASTCOAL INC. on January 12, 2011 at 01:20 PM Pacific Time.

Issued under my hand at Victoria, British Columbia

On January 12, 2011

A handwritten signature in black ink, appearing to read "Ron Townshend".

RON TOWNSHEND
Registrar of Companies
Province of British Columbia
Canada



A handwritten signature or set of initials in black ink, located in the bottom right corner of the page.



Ministry
of Finance
BC Registry Services

Mailing Address:
PO BOX 9431 Stn Prov Govt.
Victoria BC V8W 9V3
www.corporateonline.gov.bc.ca

Location:
2nd Floor - 940 Blanshard St.
Victoria BC
250 356-8626

CERTIFIED COPY
Of a Document filed with the Province of
British Columbia Registrar of Companies

Notice of Articles

BUSINESS CORPORATIONS ACT

RON TOWNSHEND
October 6, 2010

This Notice of Articles was issued by the Registrar on October 6, 2010 09:49 AM Pacific Time

Incorporation Number: BC0318912

Recognition Date: Incorporated on December 15, 1986

NOTICE OF ARTICLES

Name of Company:

LYSANDER MINERALS CORPORATION

REGISTERED OFFICE INFORMATION

Mailing Address:

1500 - 1040 WEST GEORGIA STREET
VANCOUVER BC V6E 4H8
CANADA

Delivery Address:

1500 - 1040 WEST GEORGIA STREET
VANCOUVER BC V6E 4H8
CANADA

RECORDS OFFICE INFORMATION

Mailing Address:

1500 - 1040 WEST GEORGIA STREET
VANCOUVER BC V6E 4H8
CANADA

Delivery Address:

1500 - 1040 WEST GEORGIA STREET
VANCOUVER BC V6E 4H8
CANADA

DIRECTOR INFORMATION**Last Name, First Name, Middle Name:**

PORTER, BRYCE

Mailing Address:3560 CREERY AVE
W VANCOUVER BC
FULL NAME: BRYCE M. A. PORTER V7V2M1**Delivery Address:**3560 CREERY AVE
W VANCOUVER BC
FULL NAME: BRYCE M. A. PORTER V7V2M1**Last Name, First Name, Middle Name:**

CONLON, JOHN

Mailing Address:98 WALKER AVENUE
TORONTO ON M4V 1G2
CANADA**Delivery Address:**98 WALKER AVENUE
TORONTO ON M4V 1G2
CANADA**Last Name, First Name, Middle Name:**

NEWTON, JOHN ALLAN

Mailing Address:3 SUSSEX STREET
BRIGHTON
MELBOURNE, VICTORIA 3186
AUSTRALIA**Delivery Address:**3 SUSSEX STREET
BRIGHTON
MELBOURNE, VICTORIA 3186
AUSTRALIA**Last Name, First Name, Middle Name:**

STOCKS, COLIN

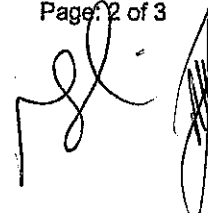
Mailing Address:4 COLLEGE SIDE, THE PARK
MANSFIELD NG182EU
UNITED KINGDOM**Delivery Address:**4 COLLEGE SIDE, THE PARK
MANSFIELD NG182EU
UNITED KINGDOM**Last Name, First Name, Middle Name:**

BYRNE, JOHN

Mailing Address:9TH FLOOR
175 COLLINS STREET
MELBOURNE 3000
AUSTRALIA**Delivery Address:**9TH FLOOR
175 COLLINS STREET
MELBOURNE 3000
AUSTRALIA**RESOLUTION DATES:**

Date(s) of Resolution(s) or Court Order(s) attaching or altering Special Rights and Restrictions attached to a class or a series of shares:

November 29, 2007

AUTHORIZED SHARE STRUCTURE

1. No Maximum Pre-arrangement Common Shares Without Par Value

Without Special Rights or
Restrictions attached.

2. No Maximum Reorganization Shares Without Par Value

With Special Rights or
Restrictions attached

3. No Maximum Common Shares Without Par Value

With Special Rights or
Restrictions attached

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**INDEX TO THE ARTICLES
OF**

~~**EVANS INDUSTRIES MINERALS CORPORATION**~~

Incorporation Number: BC0318912

EASTCOAL INC.,

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- 26.2 Preferred Shares without par value

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ARTICLES
OF
~~EASANDER MINERALS CORPORATION~~
Incorporation Number: BC0318912
(the "Company")
EASTCOAL INC.

PART 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) "legal personal representative" means the personal or other legal representative of the shareholder;
- (4) "Notice of Articles" means the notice of articles for the Company, as amended from time to time;
- (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* (British Columbia), with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* (British Columbia) relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If there is a conflict between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 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 as the same may be amended from time to time.

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 Acknowledgement

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

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgement 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 acknowledgement, as the case may be, and on such other terms, if any, as they think fit:

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

2.6 Replacement of Lost, Stolen or Destroyed Certificate or Acknowledgement

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

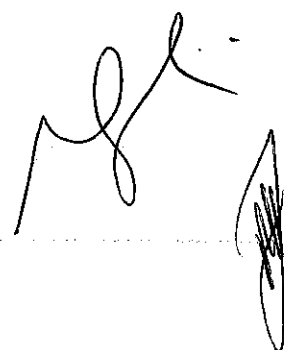
- (1) proof satisfactory to them that the share certificate or acknowledgement is lost, stolen or destroyed; and
- (2) any indemnity the directors consider adequate.

2.7 Splitting of Share Certificates

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

2.8 Certificate Fee

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

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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 of (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3 – ISSUE OF SHARES

3.1 Directors Authorized

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

3.2 Commissions and Discounts

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

3.3 Brokerage

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

3.4 Conditions of Issue

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

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

3.5 Share Purchase Warrants and Rights

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

PART 4 – SHARE REGISTER

4.1 Central Securities Register

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

4.2 Closing Register

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

PART 5 – SHARE TRANSFERS

5.1 Registering Transfers

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

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

5.2 Form of Instrument of Transfer

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

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

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

- (1) in the name of the person named as transferee in that instrument of transfer; or

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- (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, or any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

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

PART 6 – TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

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

6.2 Rights of Legal Personal Representative

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

PART 7 – PURCHASE OF SHARES

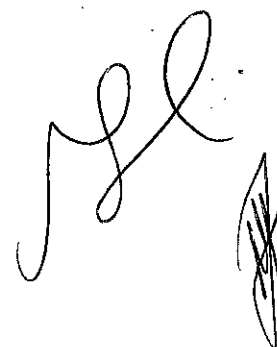
7.1 Company Authorized to Purchase Shares

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

7.2 Purchase When Insolvent

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

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



7.3 Sale and Voting of Purchased Shares

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

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

PART 8 – BORROWING POWERS

8.1 Company Authorized to Borrow

The Company, if authorized by the directors, may:

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

PART 9 – ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2, the *Business Corporations Act*, and any regulatory or stock exchange requirements applicable to the Company, the Company may by directors' resolution:

- (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (4) if the Company is authorized to issue shares of a class of shares with par value:
 - (a) decrease the par value of those shares; or
 - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

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- (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (6) alter the identifying name of any of its shares; or
- (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act* and any regulatory or stock exchange requirements applicable to the Company, the Company may by directors' resolution:

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

9.3 Change of Name

The Company may by directors' resolution authorize an alteration of its Notice of Articles in order to change its name subject to any other regulatory or stock exchange requirements applicable to the Company.

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 alter these Articles subject to any other regulatory or stock exchange requirements applicable to the Company.

PART 10 – MEETINGS OF SHAREHOLDERS

10.1 Annual General Meeting

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

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

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

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10.4 Locations of Meetings of Shareholders

The directors may, if authorized by directors' resolution, convene and hold shareholder meetings in jurisdictions outside of British Columbia.

11 Notice of Meetings of Shareholders

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

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

11.1 Record Date for Notice

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

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

If no record date is set, the record date is 5 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.

11.2 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.

11.3 Failure to Give Notice and Waiver of Notice

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

11.4 Notice of Special Business at Meetings of Shareholders

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

- (1) state the general nature of the special business; and

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- (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.

PART 11 – PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

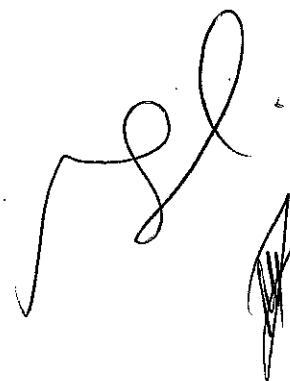
- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the 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;
 - (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 meeting of shareholders is two-thirds (2/3) of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.



11.4 One Shareholder May Constitute Quorum

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

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

11.5 Other Persons May Attend

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

11.6 Requirement of Quorum

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

11.7 Lack of Quorum

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

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

11.8 Lack of Quorum at Succeeding Meeting

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

11.9 Chair

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

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

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present with 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number or the Company's solicitor to be chair of the meeting failing which the

shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

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

11.12 Notice of Adjourned Meeting

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

11.13 Decisions by Show of Hands or Poll

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

11.14 Declaration of Result

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

11.15 Motion Need Not be Seconded

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

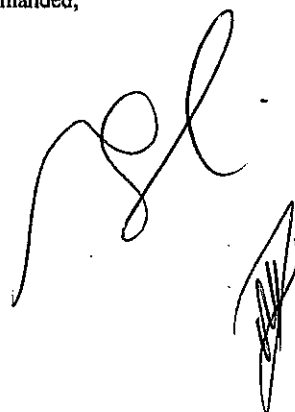
11.16 Casting Vote

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

11.17 Manner of Taking Poll

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

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



- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

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

11.19 Chair Must Resolve Dispute

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

11.20 Casting of Votes

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

11.21 Demand for Poll

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

11.22 Demand for Poll Not to Prevent Continuance of Meeting

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

11.23 Retention of Ballots and Proxies

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

11.24 Meetings by Telephone or Other Communications Medium

Shareholders may participate in a meeting of the shareholders by telephone if all shareholders and directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A shareholder may participate in a meeting of the shareholders by a communications medium other than telephone if all shareholders and directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all shareholders and directors who wish to participate in the meeting agree to such participation. A shareholder who participates in a meeting in a manner contemplated by this Article 11.24 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.

PART 12 – VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholders 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

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- (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 proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

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

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

12.4 Legal Personal Representatives as Joint Shareholders

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

12.5 Representative of a Corporate Shareholder

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

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

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



12.6 Proxy Provisions Do Not Apply to All Companies

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 defined in section 1(1) of the *Business Corporations Act*) 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 of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

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

12.9 Proxy Holder Need Not Be Shareholder

A person appointed as a proxy holder need not be a shareholder.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

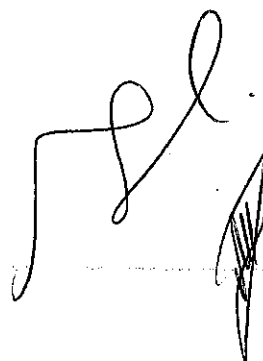
- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding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

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

12.11 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 at which the proxy is to be used; or
- (2) by the chair of the meeting, before the vote is taken.



12.12 Form of Proxy

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

[name of Company]
(the "Company")

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

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

Signed *[month, day, year]*

[Signature of shareholder]

[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:

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

12.14 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.

PART 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*. There is no requirement for the directors or shareholders to fix or set the number of directors from time to time. If the

Company is a public company, the Company shall have at least three directors. If the Company is not a public company, the Company shall have at least one director.

13.2 Change in Number of Directors

If the number of directors is at any time fixed or set hereunder:

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

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

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

13.8 Gratuity, Pension or Allowance on Retirement of Director

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

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PART 14 – ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

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

14.2 Consent to be a Director

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

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

14.3 Failure to Elect or Appoint Directors

If:

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

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

- (3) the date on which his or her successor is elected or appointed; and
- (4) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

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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 summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors, or subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

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

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

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

14.9 Ceasing to be a Director

A director ceases to be a director when:

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

14.10 Removal of Director by Shareholders

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

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14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if:

- (1) such director is convicted of an indictable offence;
- (2) such director ceases to be qualified to act as a director of a company and does not promptly resign; or
- (3) if there are at least three directors on the board, then if all other directors pass a resolution to remove such director; and the remaining directors may in any such event appoint a director to fill the resulting vacancy.

PART 15 – ALTERNATE DIRECTORS**15.1 Appointment of Alternate Director**

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

15.2 Notice of Meetings

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

15.3 Alternate for More Than One Director Attending Meetings

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

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

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15.5 Alternate Director not an Agent

Every alternate director is deemed not to be the agent or 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 reappointed;
- (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.

15.7 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.

PART 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 such 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 and 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.

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16.3 Remuneration paid to Auditors

The directors may, subject to the *Business Corporations Act* and these Articles, from time to time set the remuneration of the auditor.

PART 17 – DISCLOSURE OF INTEREST OF DIRECTORS**17.1 Obligation to Account for Profits**

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

17.2 Restrictions on Voting by Reason of Interest

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

17.3 Interested Director Counted in Quorum

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

17.4 Disclosure of Conflict of Interest or Property

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

17.5 Director Holding Other Office in the Company

A director may hold any office or place or 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 of 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.

PART 18 -- PROCEEDINGS OF DIRECTORS**18.1 Meetings of Directors**

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

18.2 Voting at Meetings

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

18.3 Chair of Meetings

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

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

18.4 Meeting by Telephone or Other Communications Medium

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

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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 Meeting

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

18.10 Quorum

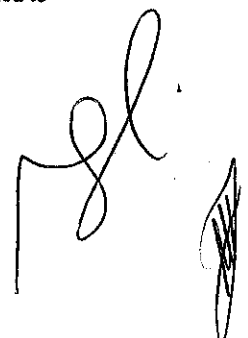
The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent Resolution in Writing

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



be a proceeding at a meeting of directors of the committee of the directors and to be as valid and effective as it if 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.

PART 19 – EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

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

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

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

19.3 Obligations of Committees

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

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

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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 and 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meeting 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.

PART 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.

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20.4 Remuneration and Terms of Appointment

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

PART 21 – INDEMNIFICATION

21.1 Definitions

In this Article 21:

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

21.2 Mandatory Indemnification of Directors and Former Directors

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

21.3 Indemnification of Other Persons

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

21.4 Non-Compliance with *Business Corporations Act*

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

21.5 Company May Purchase Insurance

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

- (1) is or was a director, alternate director, officer, employee or agent of the Company;

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

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

PART 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*, 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 or 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 by the distribution of cash or of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

22.6 Settlement of Difficulties

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

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

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22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance with Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

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

22.13 Capitalization of Surplus

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

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

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

23.2 Inspection of Accounting Records

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

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PART 24 – NOTICES**24.1 Method of Giving Notice**

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

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

24.2 Deemed Receipt of Mailing

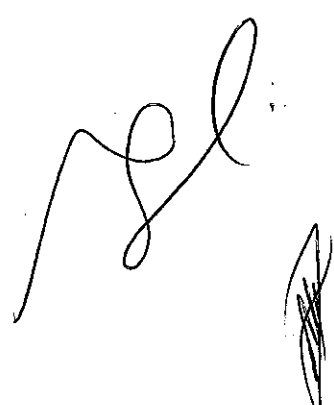
A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing.

24.3 Certificate of Sending

A certificate or other document signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4 Notice to Joint Shareholders

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

A large, stylized handwritten signature or set of initials is written in the bottom right corner of the page. It appears to be a cursive script, possibly reading 'M. J. L.' or similar. To its right, there are smaller, less distinct handwritten marks.

24.5 Notice to Trustees

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

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

PART 25 – SEAL**25.1 Who May Attest Seal**

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

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

25.2 Sealing Copies

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

25.3 Mechanical Reproduction Seal

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

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**PART 26 – SPECIAL RIGHTS AND RESTRICTIONS
ATTACHED TO SHARES**

26.1 The Common shares without par value (the “Common Shares”) shall have attached thereto the following special rights and restrictions:

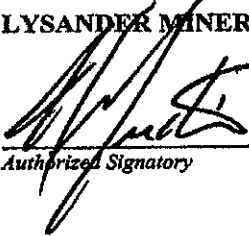
- (1) **Voting:** Each holder of a Common Share shall be entitled to receive notice of and to attend all meetings of the shareholders of the Company and shall have one vote for each Common Share held at all meetings of the shareholders of the Company, except meetings at which only holders of another specified class or series of shares of the Company are entitled to vote separately as a class or series.
- (2) **Dividends:** Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Company, the holders of the Common shares are entitled to receive dividends if, and when declared by the board of directors of the Company, in such amount and in such form as the board of directors of the Company may from time to time determine.
- (3) **Liquidation, Dissolution or Winding-Up:** Subject to the rights, privileges, restrictions and conditions attached to any other class of shares of the Company, the holders of the Common shares are entitled to share equally in the remaining property of the Company upon liquidation, dissolution or winding-up of the Company.

26.2 The Preferred Shares without par value (the “Preferred Shares”) shall have attached thereto the following special rights and restrictions:

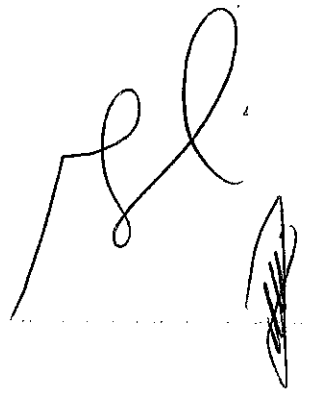
- (1) **Series:** The Preferred Shares may from time to time be issued in one or more series and, subject to the following provisions, and subject to the filing of a Notice of Amendment to a Notice of Articles in the prescribed form with the BC Registrar of Companies (and the issuance of a Notice of Articles by the Registrar in respect thereof), the directors may fix from time to time and before issue of a series of Preferred Shares the number of shares which are to comprise that series and the designation, rights, privileges, restrictions and conditions to be attached to that series of Preferred Shares, including but not limited to, the rate or amount of dividends or the method of calculating dividends, the dates of payment of dividends, the redemption, purchase and/or conversion prices and terms and conditions of redemption, purchase and/or conversion, and any sinking fund or other provisions.
- (2) **Dividends:** If any cumulative dividends or amounts payable on the return of capital in respect of a series or Preferred Shares are not paid in full, all series of Preferred Shares shall participate ratably in respect of accumulated dividends and return of capital.
- (3) **Liquidation, Dissolution or Winding-Up:** The Preferred Shares of each series shall, with respect to the distribution of assets or return of capital in the event of liquidation, dissolution, or winding-up of the Company, whether voluntary or involuntary, or any other return of capital or distribution of the assets of the Company amount its shareholders for the purpose of winding-up its affairs, rank on a parity with the Preferred Shares of every other series and be entitled to preference over the Common Shares and over any other shares of the Company ranking junior to the Preferred Shares.
- (4) **Preference:** The Preferred Shares of any series may also be given other preferences, not inconsistent with these Articles, over the Common Shares and any other shares of the Company ranking junior to the Preferred Shares of a series as may be fixed in accordance with 26.2(1).
- (5) **Voting:** Unless the directors otherwise determine, the holder of each share of a series of Preferred Shares shall not be entitled to receive notice of or vote at any meeting of shareholders, except as otherwise specifically provided in the *Business Corporations Act* of BC.

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LYSANDER MINERALS CORP.

A handwritten signature in black ink, appearing to be 'M. J. ...', written over a horizontal line.

Authorized Signatory

A large, stylized handwritten signature in black ink, possibly 'M. J. ...', located in the bottom right corner of the page.

PROVINCE OF BRITISH COLUMBIA

JUN 24 1996

FORM 21
(Section 371)

17 *Howell*
JOHN S. POWELL
REGISTRAR OF COMPANIES
PROVINCE OF BRITISH COLUMBIA

Certificate of
Incorporation No. 318912

COMPANY ACT

SPECIAL RESOLUTION

The following special resolution was passed by the undermentioned company on the date stated:

NAME OF COMPANY: LYSANDER GOLD CORPORATION

DATE RESOLUTION PASSED: May 31, 1996

RESOLUTION:

"Resolved as a Special Resolution that the authorized capital of the Company be increased from 20,000,000 common shares without par value to 100,000,000 common shares without par value by creating 80,000,000 additional common shares without par value; and Paragraph 2 of the Memorandum of the Company be altered to read as follows:

'2. The authorized capital of the Company consists of 100,000,000 common shares without par value'."

The Memorandum, as altered, is attached hereto as Schedule "A".

CERTIFIED A TRUE COPY June 13, 1996.

(Signature)

Charlotte P. Bell
Charlotte P. Bell

(Relationship to Company) Solicitor

SCHEDULE "A"

FORM 1

COMPANY ACT

ALTERED MEMORANDUM

(as altered by Special Resolution
passed May 31, 1996)

LYSANDER GOLD CORPORATION

1. The name of the Company is "Lysander Gold Corporation".
2. The authorized capital of the Company consists of 100,000,000 common shares without par value.

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I HEREBY CERTIFY THAT THESE 66
COPIES OF DOCUMENTS FILED WITH THE
REGISTRAR OF COMPANIES ON

DEC 15 1986

COMPANY ACT

FORM 1

M E M O R A N D U M

REGISTRAR OF COMPANIES
FOR THE PROVINCE OF BRITISH COLUMBIA

I wish to be formed into a company with limited liability under the Company Act in pursuance of this Memorandum.

1. The name of the Company is "Lysander Gold Corporation."
2. The authorized capital of the Company consists of 20,000,000 common shares without par value.
3. I agree to take the number of shares in the Company set opposite my name.

FULL NAMES, RESIDENT ADDRESSES,
CITIZENSHIP AND OCCUPATIONS OF
SUBSCRIBERS

NUMBER, KIND AND CLASS
OF SHARES TAKEN BY
SUBSCRIBERS

Kenneth George Hanna One (1) Common Share
KENNETH GEORGE HANNA
3460 Rockview Place
West Vancouver, British Columbia
V7V 3H3
Barrister and Solicitor

TOTAL SHARES TAKEN

One (1) Common Share

DATED at Vancouver, British Columbia this 10th day of
December, 1986.

BY CERTIFY THAT THIS IS A COPY
DOCUMENT FILED WITH THE
REGISTRAR OF COMPANIES ON

JUN 12 1989

REGISTRAR OF COMPANIES
FOR THE PROVINCE OF BRITISH COLUMBIA

FORM 21
(Section 371)
PROVINCE OF BRITISH COLUMBIA

Certificate of
Incorporation No. 318912

COMPANY ACT

SPECIAL RESOLUTION

The following special resolution was passed by the undermentioned Company on the date stated:

Name of Company: Lysander Gold Corporation

Date resolution passed: June 6, 1989 (month, day), 19 89

[see note (a)]

Resolution:

"it was resolved as a special resolution that the existing articles of the Company be cancelled and that the form of articles presented to the members and to be attached to the minutes of this meeting be adopted as the articles of the Company."

Certified a true copy

June 6

(month, day), 19 89

(Signature) Charlotte Bell

(Relationship to Company) solicitor

[NOTE.—
(a) Insert text of special resolution.