

## ATEBA RESOURCES INC.

Suite 400, 365 Bay Street  
Toronto, Ontario M5H 2V1

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the "**Meeting**") of shareholders of **Ateba Resources Inc.** (the "**Company**") will be held on **Monday, April 23, 2018**, at the hour of 10:00 a.m. (Eastern time), at the office of Irwin Lowy LLP at Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1 for the following purposes:

1. to receive and consider the audited financial statements of the Company for the years ended December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016 and December 31, 2017, and the respective reports of the auditors thereon;
2. to consider and, if deemed advisable, pass, with or without variation, a special resolution to determine the number of directors of the Company and the number of directors to be elected at the Meeting to be four and to empower the directors of the Company, by resolution of the directors, to determine the number of directors within the minimum and maximum number set out in the articles of amalgamation of the Company;
3. to elect the directors of the Company;
4. to confirm the appointment by the board of directors of, and to appoint, the auditors of the Company and to authorize the directors to fix their remuneration;
5. to consider and, if deemed advisable, pass, with or without variation, a special resolution to amend the articles of amalgamation of the Company to consolidate each of the issued and outstanding common shares of the Company by changing a maximum of fifty (50) pre-consolidation common shares of the Company, or such lesser number of pre-consolidation common shares as the directors of the Company in their discretion may determine, into one (1) post-consolidation common share of the Company, as more fully described in the accompanying management information circular dated March 16, 2018 of the Company;
6. to consider and, if deemed advisable, pass, with or without variation, a special resolution to amend the articles of amalgamation of the Company to change the name of the Company to such name as the directors of the Company, in their sole discretion, may determine and as may be acceptable to the Director appointed under the *Business Corporations Act* (Ontario);
7. to consider and, if deemed advisable, pass, with or without variation, a resolution confirming the repeal of all existing by-laws of the Company and the enactment of a new by-law no. 1 of the Company;
8. to consider and, if deemed advisable, pass, with or without variation a resolution to confirm and approve the new share option plan of the Company; and
9. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The full text of each of the special resolutions referred to in items 2, 5 and 6 above are attached to this notice of the Meeting as Exhibits "A", "B" and "C", respectively. A copy of the new by-law no. 1 referred to in item 7 above is attached as Schedule "B" to the accompanying management information circular dated March 16, 2018 of the Company.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Company's transfer agent and registrar, Capital Transfer Agency Inc., Suite 401, 121 Richmond Street West, Toronto, Ontario M5H 2K1, not later than 5:00 p.m. (Eastern time) on Thursday, April 19, 2018 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company has by resolution fixed the close of business on Friday, March 16, 2018 as the record date, being the date for the determination of the registered holders of common shares of the Company entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of annual and special meeting. Additional information about the Company and its financial statements are also available on the Company's profile at [www.sedar.com](http://www.sedar.com).

**DATED** at Toronto, Ontario this 16<sup>th</sup> day of March, 2018.

**BY ORDER OF THE BOARD**

"*Lisa McCormack*" (Signed)

President, Chief Executive Officer, Secretary and  
Director

**EXHIBIT "A"**

**SPECIAL RESOLUTION OF THE SHAREHOLDERS**

**OF**

**ATEBA RESOURCES INC.**

**NUMBER OF DIRECTORS**

**"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the number of directors of the Company and the number of directors to be elected at the annual and special meeting of the shareholders of the Company to be held on April 23, 2018, within the minimum and maximum number of directors of the Company provided for in the articles of amalgamation of the Company, is hereby determined to be four;
2. the directors of the Company be and they are hereby empowered, by resolution of the directors, to determine, from time to time, the number of directors of the Company and the number of directors to be elected at meetings of the shareholders of the Company subsequent to April 23, 2018, within the minimum and maximum number of directors of the Company provided for in the articles of amalgamation of the Company; and
3. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

**EXHIBIT "B"**

**SPECIAL RESOLUTION OF THE SHAREHOLDERS**

**OF**

**ATEBA RESOURCES INC.**

**AMENDMENT TO ARTICLES OF AMALGAMATION – CONSOLIDATION**

**"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the articles of amalgamation of the Company be amended to consolidate each of the issued and outstanding common shares of the Company by changing a maximum of fifty (50) pre-consolidation common shares of the Company, or such lesser number of pre-consolidation common shares as the directors of the Company in their discretion may determine, into one (1) post-consolidation common share of the Company (the "**Consolidation**"), and further authorizing the directors in their sole discretion when and if to effect the Consolidation, in each case without requirement for further approval, ratification or confirmation by shareholders, as more particularly described in the management information circular dated March 16, 2018 of the Company, provided that in the event the Consolidation would result in a shareholder of the Company holding a fraction of a common share, a shareholder shall not receive a whole common share of the Company for each such fraction;
2. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors of the Company be, and they are hereby authorized and empowered to revoke this resolution at any time prior to the issue of a certificate of amendment giving effect to the Consolidation and to determine not to proceed with the amendment of the articles of amalgamation of the Company without further approval of the shareholders of the Company; and
3. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of the articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

**EXHIBIT "C"**

**SPECIAL RESOLUTION OF THE SHAREHOLDERS**

**OF**

**ATEBA RESOURCES INC.**

**AMENDMENT TO ARTICLES OF AMALGAMATION – NAME CHANGE**

**"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the articles of amalgamation of the Company be amended to change the name of the Company to such name as the directors of the Company, in their sole discretion, may determine and as may be acceptable to the Director appointed under the *Business Corporations Act* (Ontario) (the "**Name Change**");
2. notwithstanding that this resolution has been duly passed by the shareholders of the Company, the directors of the Company be, and they are hereby authorized and empowered to revoke this resolution at any time prior to the issue of a certificate of amendment giving effect to the Name Change and to determine not to proceed with the amendment of the articles of amalgamation of the Company without further approval of the shareholders of the Company; and
3. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, including, without limitation, the execution and delivery of the articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

## **ATEBA RESOURCES INC.**

Suite 400, 365 Bay Street  
Toronto, Ontario M5H 2V1

### **MANAGEMENT INFORMATION CIRCULAR**

**As at March 16, 2018**

### **SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF ATEBA RESOURCES INC.** (the "**Company**") of proxies to be used at the annual and special meeting of shareholders of the Company to be held on Monday, April 23, 2018 at Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1 at 10:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the "**Meeting**") for the purposes set out in the accompanying notice of meeting (the "**Notice of Meeting**"). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice of Meeting, this management information circular ("**Circular**"), the annual financial statements of the Company for the financial years ended December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016 and December 31, 2017 and related management's discussion and analysis and other meeting materials, if applicable (collectively the "**Meeting Materials**") to the beneficial owners of the common shares of the Company (the "**Common Shares**") held of record by such parties. The Company may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Company. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Company in favour of the matters set forth in the Notice of Meeting.

### **APPOINTMENT AND REVOCATION OF PROXIES**

A holder of Common Shares who appears on the records maintained by the Company's registrar and transfer agent as a registered holder of Common Shares (each a "**Registered Shareholder**") may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Company. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Company's transfer agent and registrar, Capital Transfer Agency Inc. (the "**Transfer Agent**") not later than 10:00 a.m. (Eastern time) on Thursday, April 19, 2018 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

<b>By Mail or Hand Delivery:</b>	Capital Transfer Agency Inc. Suite 401, 121 Richmond Street West, Toronto, Ontario M5H 2K1
<b>By E-mail:</b>	info@capitaltransferagency.com
<b>By Fax:</b>	416-350-5008
<b>By Internet:</b>	<a href="https://shareholderaccountingsoftware.com/cap/pxlogin">https://shareholderaccountingsoftware.com/cap/pxlogin</a> (you will need to provide your 12-digit control number (located on the form of proxy accompanying this Circular))

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the provisions of the *Business Corporations Act* (Ontario), to (i) the registered office of the Company, located at Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

#### **EXERCISE OF DISCRETION BY PROXIES**

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

#### **ADVICE TO NON-REGISTERED SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders of the Company do not hold Common Shares in their own name.** Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a beneficial holder of Common Shares who does not appear on the records maintained by the Transfer Agent as a registered holder of Common Shares (each a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) (each a "**Clearing Agency**") of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

### ***Distribution of Meeting Materials to Non-Registered Holders***

In accordance with the requirements of NI 54-101, the Company has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Company or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Company's OBOs can expect to be contacted by their Intermediary. The Company does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

### ***Voting by Non-Registered Holders***

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

*Voting Instruction Form.* In most cases, a Non-Registered Holder will receive, as part of the Meeting Materials, a voting instruction form (a "**VIF**"). If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the VIF must be completed, signed and returned in accordance with the directions on the form.

or,

*Form of Proxy.* Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

### ***Voting by Non-Registered Holders at the Meeting***

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominee's name in the blank space provided. Non-Registered



Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Company as maintained by the Transfer Agent, unless specifically stated otherwise.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized share capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of special shares, issuable in series. As of March 16, 2018 (the "**Record Date**"), there were an aggregate of 190,404,965 Common Shares and no special shares issued and outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Company's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares, other than as set forth below:

<b>Name</b>	<b>Number of Common Shares</b>	<b>Percentage of Issued and Outstanding Common Shares</b>
Generic Capital Corporation	31,828,016	16.72%
Totus Inc.	31,521,342	16.55%
Irwin Lowy LLP	30,871,342	16.21%
Irwin Professional Corporation	28,374,811	14.90%

*Notes:*

(1) *The above information is based upon information supplied by the Transfer Agent and the Company's management.*

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

Other than as otherwise already disclosed in this Circular, no director or executive officer of the Company who was a director or executive officer at any time since the beginning of the Company's last financial year, or any associate or affiliates of any such directors or officers, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the board of directors of the Company (the "**Board**"), the matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

#### **1. PRESENTATION OF FINANCIAL STATEMENTS**

The audited financial statements of the Company for the years ended December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016 and December 31, 2017 and the respective reports of the auditors thereon will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Company are available under the Company's profile at [www.sedar.com](http://www.sedar.com).

## 2. NUMBER OF DIRECTORS

The *Business Corporations Act* (Ontario) provides that where a minimum and maximum number of directors of a corporation is provided for in its articles of incorporation, the number of directors of the corporation and the number of directors to be elected at the annual meeting of shareholders shall be such number as shall be determined from time to time by special resolution of the shareholders. Alternatively, if the shareholders empower the directors by special resolution to determine the number of directors, the number of directors shall be such number within the minimum and maximum number of directors set out in the articles of incorporation of a corporation as determined by resolution of the directors.

The articles of amalgamation of the Company (the "**Articles**") provide that the minimum number of directors of the Company be three (3) and the maximum number of directors of the Company be ten (10). At the Meeting, shareholders are being asked to consider and, if deemed advisable, pass, with or without variation, a special resolution, the text of which is attached as Exhibit "A" to the Notice of Meeting (the "**Number of Directors Resolution**"), to determine the number of directors of the Company and the number of directors to be elected at the Meeting to be four and to empower the directors of the Company, by resolution of the directors, to determine the number of directors within the minimum and maximum number of directors set out in the Articles.

Empowering the directors to determine the number of directors within the minimum and maximum range will permit management of the Company to offer seats on the Board to qualified and interested individuals without the delay and expense of seeking shareholder approval to an increase in the size of the Board or alternatively without requesting an incumbent director to resign in order to create a vacancy.

In order to pass the Number of Directors Resolution, at least two-thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Number of Directors Resolution. If the Number of Directors Resolution does not receive the requisite shareholder approval, the number of directors will be four, until otherwise determined in accordance with the provisions of the *Business Corporations Act* (Ontario).

The Board recommends that shareholders vote in favour of the Number of Directors Resolution as set out above.

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

## 3. ELECTION OF DIRECTORS

The Board currently consists of four directors. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Each director elected at the Meeting will hold office until the next annual meeting of the shareholders of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles, the by-laws of the Company or the provisions of the *Business Corporations Act* (Ontario).

The following table states the names of the persons nominated by management for election as directors, any offices with the Company currently held by them, their principal occupations or employment, the period or periods of service as directors of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by them as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
Lisa McCormack <sup>(2)</sup> President, Chief <i>Executive</i> Officer, Secretary and Director Ontario, Canada	Corporate Securities Law Clerk, Irwin Lowy LLP	August 10, 2017	Nil	N/A

Name, province or state and country of residence and position, if any, held in the Company	Principal Occupation	Served as Director of the Company since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
Arvin Ramos Chief Financial Officer and Director Ontario, Canada	Self-employed, Chartered Professional Accountant	August 10, 2017	Nil	N/A
Kelly Malcolm <sup>(2)</sup> Director Ontario, Canada	President and Chief Executive Officer of Generic Gold Corp.	December 29, 2017	Nil	N/A
James Fairbairn <sup>(2)</sup> Director Ontario, Canada	Self-employed, Chartered Accountant	December 29, 2017	Nil	N/A

Notes:

- (1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Company, has been furnished by the respective nominees individually.
- (2) Member of the Audit Committee.

### ***Nominees Principal Occupations***

The principal occupations of the director nominees during the past five years are as follows:

*Lisa McCormack:* Ms. McCormack has been a Corporate Securities Law Clerk with Irwin Lowy LLP from August 2006 to December 2010 and from September 20, 2013 to present. Ms. McCormack was also Corporate Secretary of Barkerville Gold Mines Ltd. from April 2015 to August 2017. Prior thereto Ms. McCormack served as Corporate Secretary of Kerr Mines Inc. from December 2013 to July 2016, Vice-President, Legal of Northern Gold Mining Inc. from October 2012 to June 2013, Corporate Secretary of Trelawney Mining and Exploration Inc. from January 2011 to June 2012. Ms. McCormack has also serves as a director and/or officer of several reporting issuer and publicly listed companies.

*Arvin Ramos:* Mr. Ramos is a self-employed Chartered Accountant and has served as an officer and/or director of several private and public corporations over the last 15 years. Currently he serves as chief financial officer of several junior mining companies. Mr. Ramos holds a degree in commerce and is a member of the Chartered Professional Accountants of Ontario. Mr. Ramos has over 15 years of business experience, having supported a broad range of industries, including mining, technology and banking.

*Kelly Malcolm:* Mr. Malcolm is a professional geologist who specializes in the integration and interpretation of geological, geochemical and geophysical data to guide exploration and development activities. Since June 2017 he has been the president and chief executive officer of Generic Gold Corp., a mineral exploration company listed on the Canadian Securities Exchange. Prior to his current role, Mr. Malcolm was employed from March 2014 to June 2017 at Detour Gold Corporation as exploration geologist where he was involved in the discovery and delineation of the 58N gold deposit. Prior thereto, Mr. Malcolm has worked in the mineral exploration industry as a geologist or advisor for several junior explorers and mid-tier producers. Mr. Malcolm acts as a consultant to several boutique Toronto-based finance firms. He holds a Bachelor of Science Honours degree in geology and a Bachelor of Arts degree in economics, both from Laurentian University.

*James Fairbairn:* Mr. Fairbairn is a self-employed chartered accountant, consulting for public companies since 1990. Mr. Fairbairn is a Member of the Institute of Corporate Directors. He is a current officer or director of a number of TSX Venture Exchange listed companies.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS, FOR ANY REASON, UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND**

**MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

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

Other than as set forth below, no proposed director, within 10 years before the date of this Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively an "**Order**") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director, within 10 years before the date of this Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

***Personal Bankruptcies***

None of the directors of the Company have, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

***Penalties and Sanctions***

None of the directors of the Company have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

**4. APPOINTMENT OF AUDITORS**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF JONES & O'CONNELL LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Jones & O'Connell LLP, Chartered Professional Accountants (formerly English & Jones LLP, Chartered Accountants), were first appointed as the auditors of the Company on March 7, 2011.

**5. AMENDMENT TO THE ARTICLES OF THE COMPANY – CONSOLIDATION**

At the Meeting, shareholders are being asked to consider and, if deemed advisable, pass, with or without variation, a special resolution, the text of which is attached as Exhibit "B" to the Notice of Meeting (the "**Consolidation Resolution**"), which would authorize the Company to amend the Articles to consolidate each of the issued and outstanding Common Shares by changing a maximum of fifty (50) pre-consolidation Common Shares, or such lesser number of pre-consolidation Common Shares as the directors of the Company in their discretion may determine, into one (1) post-consolidation Common Share (the "**Consolidation**"). In the event that shareholders pass the Consolidation Resolution and the Board determines to consolidate on a one for fifty (50) basis, the presently issued

and outstanding 190,404,965 Common Shares will be consolidated into approximately 3,808,099 Common Shares. If the Board determines to consolidate the Common Shares on a lesser basis, more Common Shares will remain outstanding following the Consolidation. If the Consolidation would otherwise result in a shareholder holding a fraction of a Common Share, no fraction or fractional certificate will be issued and the shareholder will not receive a whole Common Share for each such fraction held. In all other respects, the post-consolidated Common Shares will have the same attributes as the existing Common Shares.

In order to pass the Consolidation Resolution, at least two-thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Consolidation Resolution. If the Consolidation Resolution does not receive the requisite shareholder approval, the Company will continue with its present share capital.

The Board recommends that shareholders vote in favour of the Consolidation Resolution to approve the Consolidation as set out above.

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

## **6. AMENDMENT TO THE ARTICLES OF THE COMPANY – NAME CHANGE**

The Company intends to change its name to such name as the Board, in its sole discretion, may determine and as may be acceptable to the Director appointed under the *Business Corporation Act* (Ontario) (the "**Name Change**"). Management feels that the Name Change is in the best interests of the Company in order to reflect contemplated changes in the business activities of the Company.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution, the text of which is attached as Exhibit "C" to the Notice of Meeting (the "**Name Change Resolution**"), authorizing the amendment of the Articles to effect the Name Change.

In order to pass the Name Change Resolution, at least two thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Name Change Resolution. If the Name Change Resolution does not receive the requisite shareholder approval, the Company will continue under its present name.

The Board recommends that shareholders vote in favour of the Name Change Resolution to approve the Name Change as set out above.

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

## **7. ADOPTION OF NEW GENERAL BY-LAW NO. 1**

The Company has recently undertaken a review of the of the old by-laws of the Company (the "**Old By-Laws**"), particularly in light of evolving corporate governance best practices, and determined that it would be in the best interests of the Company to implement a new by-law no. 1 (the "**New By-Law No. 1**") in order to incorporate such best practices and implement certain other desirable changes to update the Old By-Laws

The New By-Law No. 1 is standard in its form and governs all aspects of the business and affairs of the Company, such as the establishment of a quorum for meetings of directors and shareholders, the conduct of such meeting, signing authorities, the appointment of officers, the description of the officers' duties, the establishment of committees of the board of directors, the authority of persons to contract on behalf of the Company and similar matters. A copy of the New By-Law No. 1 is attached hereto as Schedule "B".

At the Meeting, shareholders will be asked to consider and, if deemed advisable, pass, with or without variation, the following resolution authorizing the repeal of the Old By-Laws and the replacement of the Old By-Laws with the New By-Law No. 1 (the "**By-Law No. 1 Resolution**"):

**"BE IT RESOLVED THAT:**

1. any existing by-laws of the Company be repealed and by-law no. 1, being a general by-law in the form attached to the management information circular dated March 16, 2018 of the Company as schedule B, be and is hereby confirmed as a by-law of the Company; and
2. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

In order to pass the By-Law No. 1 Resolution, at least a majority of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the By-Law No. 1 Resolution. If the By-Law No. 1 Resolution does not receive the requisite shareholder approval, the Old By-Laws will continue to be in effect.

The Board recommends that shareholders vote in favour of the By-Law No. 1 Resolution to approve the repeal of the Old By-Laws as set out above.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE BY-LAW NO. 1 RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

**8. APPROVAL OF STOCK OPTION PLAN**

The Company has adopted a "rolling" stock option plan (as amended, the "**2011 Stock Option Plan**") for officers, directors, employees and consultants of the Company. The 2011 Stock Option Plan was last approved by the shareholders of the Company at the annual and special meeting of the shareholder of the Company held on April 26, 2011.

The Board has determined that it was appropriate to update the 2011 Stock Option Plan and accordingly decided to adopt a new "rolling" stock option plan (the "**2018 Stock Option Plan**") that is in line with current stock exchange policies, the stock option plans of the Company's peers and with current market practices including, among other things, tax withholding provisions. The Board approved the 2018 Stock Option Plan on March 16, 2018. The Company has not granted any options under the 2018 Stock Option Plan.

The purpose of the 2018 Stock Option Plan is to attract, retain and motivate directors, officers, employees and other service providers of the Company by providing them with the opportunity, through share options, to acquire a proprietary interest in the Company and benefit from its growth.

The following is a summary of the key terms of the 2018 Stock Option Plan, which is qualified in its entirety by the full text of the 2018 Stock Option Plan which will be made available at the office of Irwin Lowy LLP, at Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1, until the business day immediately preceding the date of the Meeting:

- (a) options may be granted under the 2018 Stock Option Plan only to directors, officers, employees and consultants of the Company and its subsidiaries and other designated persons as designated from time to time by the Board;
- (b) the maximum number of Common Shares in respect of which options may be outstanding under the 2018 Stock Option Plan at any given time is equivalent to 10% of the issued and outstanding Common Shares at that time less the number of Common Shares subject to grant under any of the Company's other share compensation arrangements;
- (c) unless the Company has obtained the requisite disinterested shareholder approval, the total number of Common Shares that may be reserved for issue at any given time to any one person pursuant to options granted under the 2018 Stock Option Plan in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares at that time;

- (d) the maximum term of any option issued under the 2018 Stock Option Plan is 10 years after the date of the grant of the option;
- (e) subject to extension as described below, an optionee has 90 days after the date on which such optionee's employment, directorship, consulting agreement or other qualified position is terminated, other than for cause, to exercise any options granted to him or her under the 2018 Stock Option Plan;
- (f) the Board may, in its sole discretion, increase the periods permitted to exercise any options under the 2018 Stock Option Plan following a termination of employment, directorship, consulting agreement or other qualified position, if allowable under applicable law, provided, however, that, among other things, such options may not be exercisable more than 10 years after the date on which they were granted;
- (g) an option granted under the 2018 Stock Option Plan terminates on the earlier of one year following the death of the optionee and the option's regular expiry date; and
- (h) in the event of a reorganization of the Company or the amalgamation, merger or consolidation of the Common Shares, the Board will make such appropriate provisions for the protection of the rights of the optionee as it may deem advisable.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, pass, with or without variation, the following resolution (the "**2018 Stock Option Plan Resolution**") approving and confirming the 2018 Stock Option Plan:

**"BE IT RESOLVED THAT:**

1. the stock option plan of the Company as last approved and confirmed by the shareholders of the Company at the annual and special meeting of the shareholders of the Company held on April 26, 2011 (the "2011 Stock Option Plan") be replaced with the new stock option plan approved by the directors of the Company on March 16, 2018 as described in the management information circular dated March 16, 2018 of the Company (the "**2018 Stock Option Plan**");
2. the 2018 Stock Option Plan be and it is hereby approved and adopted;
3. the directors of the Company be authorized to grant options under, and subject to the terms and conditions of, the 2018 Stock Option Plan, which may be exercised to purchase up to 10% of the issued and outstanding number of common shares of the Company at the date of the grant of the options; and
4. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing resolutions."

In order to pass the 2018 Stock Option Resolution, at least a majority of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the 2018 Stock Option Resolution. If the 2018 Stock Option Resolution does not receive the requisite shareholder approval, the 2011 Stock Option will continue to be in effect.

The Board recommends that shareholders vote in favour of the 2018 Stock Option Resolution to approve and confirm the 2018 Stock Option Plan as set out above.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE 2018 STOCK OPTION PLAN RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

## STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Company is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Company as at December 31, 2017 whose total compensation was more than \$150,000 for the financial year of the Company ended December 31, 2017 (collectively the "Named Executive Officers") and for the directors of the Company.

### Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years to the Named Executive Officers and the directors of the Company:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Lisa McCormack <sup>(2)</sup> President, Chief Executive Officer, Secretary and Director	2017	12,500	Nil	Nil	Nil	Nil	12,500
	2016	N/A	N/A	N/A	N/A	N/A	N/A
Ashley Makuch <sup>(2)(3)</sup> Former President, Chief Financial Officer, Secretary and Director	2017	17,500	Nil	Nil	Nil	Nil	17,500
	2016	20,000	Nil	Nil	Nil	Nil	20,000
Arvin Ramos <sup>(2)</sup> Chief Financial Officer and Director	2017	12,500	Nil	Nil	Nil	Nil	12,500
	2016	N/A	N/A	N/A	N/A	N/A	N/A
Kelly Malcolm <sup>(4)</sup> Director	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A
James Fairbairn <sup>(4)</sup> Director	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) Mr. Makuch was appointed as President, Chief Financial Officer, Secretary and a director of the Company on May 4, 2016 and resigned for all such positions with the Company on August 10, 2017. Ms. McCormack was appointed as President, Chief Executive Officer, Secretary and a director of the Company and Mr. Ramos was appointed as Chief Financial Officer and a director of the Company on August 10, 2017.
- (3) The amounts payable to Ms. Makuch are payable on a deferred basis. See the section entitled "Compensation of Named Executive Officers - Base Salary" in this Circular.
- (4) Mr. Malcolm and Mr. Fairbairn became directors of the Company on December 29, 2017.

### Stock Options and Other Compensation Securities

No compensation securities were granted or issued to any Named Executive Officer or to any director of the Company during the most recently completed financial year of the Company for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

No compensation securities were exercised by any Named Executive Officer or any director of the Company during the most recently completed financial year of the Company.

### Stock Option Plan and other Incentive Plans

The Company currently has no long-term incentive plans, other than the 2011 Stock Option Plan. There are no options currently issued under the 2011 Stock Option Plan.



At the Meeting, shareholders will be asked to approve the new 2018 Stock Option Plan, a 10% "rolling" stock option plan, as described under "*Matters to be Acted Upon – Approval of Share Option Plan*".

## **Employment, Consulting and Management Agreements**

The Company does not have in place any employment agreements between the Company or any subsidiary or affiliate thereof and its Named Executive Officers.

There are no employment agreements in place with any of the directors of the Company.

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

### *Compensation of Directors*

The Board, at the recommendation of the management of the Company, determines the compensation payable to the directors of the Company and reviews such compensation periodically throughout the year. For their role as directors of the Company, each director of the Company who is not a Named Executive Officer may, from time to time, be awarded stock options under the provisions of the stock option plan of the Company. There are no other arrangements under which the directors of the Company who are not Named Executive Officers were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Company.

### *Compensation of Named Executive Officers*

#### *Principles of Executive Compensation*

The Company believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Company as a whole. The primary components of the Company's executive compensation are base salary and option-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Company's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Company and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Company's long term value; and
5. connect, if possible, the Company's employees into principles 1 through 4 above.

The Board is responsible for the Company's compensation policies and practices. The Board has the responsibility to review and make recommendations concerning the compensation of the directors of the Company and the Named Executive Officers. The Board also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the stock option plan of the Company. The Board also reviews and approves the hiring of executive officers.

#### *Base Salary*

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of the performance of the

individual relative to such factors. Comparative data for the Company's peer group is also accumulated from a number of external sources including independent consultants.

In 2016, the Company paid a base salary which amounted to \$20,000.00 to Ashley Makuch, who at that time was the president, chief financial officer, secretary and sole director of the Company. Due to market conditions, the amount payable to Ms. Makuch is to be paid on a deferred basis.

#### Annual Incentives

The Named Executive Officers have an opportunity to earn annual incentive compensation payable as a cash bonus, however the Company is not currently awarding any such annual incentives. The annual incentive compensation is intended to link pay to annual performance that will drive shareholder value so the Company may, in its discretion, award such incentives in the future in order to motivate executives to achieve short-term corporate goals. The Board approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Company in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her position and contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Company that arise on a day to day basis. Annual incentive compensation is tied to corporate and individual performance. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

#### Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

#### Long Term Compensation

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the 2011 Stock Option Plan.

#### **Pension Disclosure**

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Company.

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

The Company has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Company in connection with or related to the retirement, termination or resignation of such person. The Company has not provided any compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates.

## **SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLANS**

The Company currently has no long-term incentive plans, other than the 2011 Stock Option Plan. There are no options currently issued under the 2011 Stock Option Plan.

At the Meeting, shareholders will be asked to approve the new 2018 Stock Option Plan, a 10% "rolling" stock option plan, as described under "*Matters to be Acted Upon – Approval of Stock Option Plan*".

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

Other than as otherwise disclosed in this Circular, no informed person or proposed director of the Company, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the most recently completed financial year of the Company or in any proposed transaction which has materially affected or would materially affect the Company.

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

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

## **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual meeting. The Company is a "venture issuer" for the purposes of NI 52-110.

### **Audit Committee Charter**

The full text of the charter of the Company's Audit Committee is attached hereto as schedule A.

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

The Audit Committee members are currently Lisa McCormack, Kelly Malcolm and James Fairbairn, each of whom is a director and financially literate. Messrs. Malcolm and Fairbairn are each independent in accordance with NI 52-110.

### **Relevant Education and Experience**

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

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

**Lisa McCormack, President, Chief Executive Officer, Secretary and Director** - Ms. McCormack has been a Corporate Securities Law Clerk with Irwin Lowy LLP from August 2006 to December 2010 and from September 20, 2013 to present. Ms. McCormack was also Corporate Secretary of Barkerville Gold Mines Ltd. from April 2015 to August 2017. Prior thereto Ms. McCormack served as Corporate Secretary of Kerr Mines Inc. from December 2013 to July 2016, Vice-President, Legal of Northern Gold Mining Inc. from October 2012 to June 2013, Corporate Secretary of Trelawney Mining and Exploration Inc. from January 2011 to June 2012. Ms. McCormack has also serves as a director and/or officer of several reporting issuers and publicly traded companies.

**Kelly Malcolm, Director** – Mr. Malcolm acts as a consultant to several boutique Toronto-based finance firms. He is currently the President and Chief Executive Officer of Generic Gold Corp., a mining exploration company listed on the Canadian Securities Exchange. Mr. Malcolm holds a Bachelor of Science Honours degree in geology and a Bachelor of Arts degree in economics, both from Laurentian University.

**James Fairbairn, Director** - Mr. Fairbairn has more than 20 years of experience with publicly-traded companies. He is a Chartered Accountant, having obtained his CA designation in 1987 and is an Institute-certified Director. Mr. Fairbairn holds a B.A. from the University of Western Ontario. He brings strong financial skills and has served as a senior officer and/or a director in both public and privately held companies. Mr. Fairbairn has served as a senior officer and/or director and Chairman of the audit committees of a number of public and private companies.

### **Audit Committee Oversight**

Since the commencement of the Company's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Exemptions in NI 52-110 regarding**

#### ***De Minimis* Non-audit Services or on a Regulatory Order Generally**

Since the commencement of the Company's most recently completed financial year, the Company has not relied on:

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Company's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Company, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or
2. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter.

### **Audit Fees**

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Company for professional services rendered to the Company during the fiscal years ended December 31, 2017 and December 31, 2016:

	<b>Audit Fees (\$)</b>	<b>Audit-Related Fees (\$)</b>	<b>Tax Fees (\$)</b>	<b>All Other Fees (\$)</b>
<b>Year ended December 31, 2017</b>	4,000	Nil	Nil	Nil
<b>Year ended December 31, 2016</b>	4,000	Nil	Nil	Nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

## REPORT ON GOVERNANCE

The Company believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. The Company will continue to review and implement corporate governance guidelines as the business of the Company progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Company's approach to governance and outlines the various procedures, policies and practices that the Company and the Board have implemented.

### Board of Directors

The Board is currently composed of six directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Company by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed nominees, Ms. McCormack, the President and Chief Executive Officer of the Company and Arvin Ramos, the Chief Financial Officer of the Company, are considered not to be "independent". The remaining two proposed directors are considered by the Board to be "independent" within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.

### Directorships

The following table sets forth the directors of the Company who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuers
Lisa McCormack	Caza Gold Corp., Wamco Technology Group Ltd. and Royal Standard Minerals Inc.
James Fairbairn	Crown Mining Corp. and Kapuskasing Gold Corp.

### Orientation and Continuing Education

The Board does not have a formal orientation or education program for its members. The legal counsel of the Company advises the Board on a regular basis on any changes in laws or regulations relevant to the duties and

responsibilities of directors. Each of the directors of the Company has the responsibility for ensuring that he or she maintains the skill and knowledge necessary to meet his or her obligations as a director.

Due to the size of the Board, no formal program currently exists for the orientation of new directors. Historically, board members who are familiar with the Company and the nature of its business have been nominated. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation regarding (a) the role of the Board, its committees and its directors, and (b) the nature and operations of the business of the Company will be necessary and relevant to each new director.

### **Ethical Business Conduct**

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. The Company promotes ethical business conduct through avoiding or minimizing conflicts of interest. In accordance with the *Business Corporations Act* (Ontario), directors of the Company who are a party to, or are a director or an officer of or have a material interest in a party to, a material contract or material transaction or a proposed material contract or proposed material transaction, are required to disclose the nature and extent of their interest and not to vote on any resolution to approve the contract or transaction. In certain cases, an independent committee of the Board may be formed to deliberate on such matters in the absence of the interested party.

In addition, the Company promotes ethical business conduct through the nomination of Board members it considers ethical and by having at least two of its Board members independent of corporate matters.

### **Nomination of Directors**

The Board has not appointed a nominating committee and does not believe that such a committee is warranted at the present time. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members, officers and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board of directors are reviewed by the entire Board.

### **Other Board Committees**

The Board currently does not have any standing committees other than the audit committee.

### **Assessments**

The Board monitors but does not formally assess the effectiveness and contribution of the Board, its committees and individual Board members. To date, the Board has satisfied itself, through informal discussions that the Board, its committees and individual Board members are performing effectively.

## **OTHER MATTERS**

The management of the Company knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at its office by mail at the address set out below to request copies of: (i) this Circular; and (ii) the Company's financial statements and the related Management's Discussion and Analysis (the "MD&A") which will be sent to the shareholder without charge upon request. Financial information is provided in the Company's financial statements and MD&A for the financial years ended December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016 and December 31, 2017 of the Company.

**APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

**DATED** at Toronto, Ontario, on the 16<sup>th</sup> day of March, 2018.

**BY ORDER OF THE BOARD**

*"Lisa McCormack" (signed)*

President, Chief Executive Officer, Secretary and Director

## SCHEDULE "A"

### ATEBA RESOURCES INC.

#### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

##### *Name*

There shall be a committee of the Board of Directors (the "**Board**") of Ateba Resources Inc. (the "**Company**") known as the Audit Committee (the "**Committee**").

##### *Purpose*

The Committee has been established to assist the Board in fulfilling its oversight responsibilities and fiduciary obligations. The primary functions and areas of responsibility of the Committee are to:

- review, report and provide recommendations to the Board on the annual and interim consolidated financial statements and related Management's Discussion and Analysis ("**MD&A**");
- identify and monitor the management of the principal risks that could impact the financial reporting of the Company;
- make recommendations to the Board regarding the appointment, terms of engagement and compensation of the external auditor;
- monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;
- resolve disagreements between management and the external auditor regarding financial reporting;
- receive the report of the external auditors, who must report directly to the Committee; and
- provide an avenue of communication among the Company's external auditors, management, and the Board.

##### *Composition and Qualifications*

All Committee members shall meet all applicable requirements prescribed under the *Business Corporations Act* (Ontario), as well as any requirements or guidelines prescribed from time to time under applicable securities legislation, including National Instrument 52-110 as amended, restated or superseded. The Committee shall be comprised of not less than three directors as determined from time to time by the Board. A majority of the members shall, whenever reasonably possible, be an independent director who is free from any direct or indirect relationship that would, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment. While it is not necessary for members to have a comprehensive knowledge of generally accepted accounting principles and standards, at least one (1) member of the Committee shall be "financially literate" so as to be able to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the issues raised by the Company's financial statements. A director who is not financially literate may be appointed to the Committee by the Board provided that such director becomes financially literate within a reasonable period following his or her appointment



Committee members shall be appointed by the Board. The Board shall designate the Chair of the Committee. If a Chair is not designated or present at any meeting, the members of the Committee may designate a Chair by majority vote. The Chair shall have responsibility for ensuring that the Committee fulfills its mandate and duties effectively.

Each member of the Committee shall continue to be a member until a successor is appointed, unless the member resigns, is removed or ceases to be a director. The Board may fill a vacancy at any time.

### ***Meetings***

The Committee shall meet at least four times annually, or more frequently as circumstances dictate, and at least once in each fiscal quarter. A schedule for each of the meetings shall be prepared and disseminated to Committee members prior to the start of each fiscal year. A majority of the members of the Committee shall constitute a quorum for meetings.

An agenda shall be prepared by the Chair of the Committee as far in advance of each meeting as reasonably practicable. Minutes of all meetings of the Committee shall be prepared as soon as possible following the meeting and submitted for approval at or prior to the next following meeting.

The Committee should meet privately at least once per year with management of the Company, the Company's external auditors, and as a committee to discuss any matters that the Committee or any of these groups believe should be discussed.

### ***Specific Responsibilities and Duties***

Specific responsibilities and duties of the Committee shall include, without limitation, the following:

#### General Review Procedures

1. Review and reassess the adequacy of this Charter at least annually and submit any proposed amendments to the Board for approval.
2. Review the Company's annual audited financial statements, related MD&A, and other documents prior to filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Review should include discussion with management and external auditors of significant issues regarding accounting principles, practices, and significant management estimates and judgments.
3. Annually, in consultation with management and external auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the external auditors and the internal auditing department together with management's responses.
4. Review the effectiveness of the overall process for identifying the principal risks affecting financial reporting and provide the Committee's views to the Board.
5. Review with financial management and the external auditors the Company's quarterly financial results, related MD&A and other documents prior to the filing or distribution of such documents or issuing a press release in respect of the financial statements and MD&A. Discuss any significant changes to the Company's accounting principles. The Chair of the Committee may represent the entire Committee for purposes of this review.

#### External Auditors

6. The external auditors are ultimately accountable to the Committee, as representatives of the shareholders. The external auditors must report directly to the Committee, who shall review the independence and performance of the auditors and annually recommend to the Board the appointment of the external auditors or approve any discharge of auditors when circumstances warrant. The Committee shall approve the compensation of the external auditors.
7. The Committee must pre-approve all non-audit services to be provided to the Company or its subsidiary entities, unless such non-audit services are reasonably expected to constitute not more than twenty (20) percent of the total fees paid by the Company to the external auditor during the particular fiscal year.
8. On an annual basis, the Committee should review and discuss with the external auditors all significant relationships they have with the Company that could impair the auditors' independence.
9. Review the external auditors' audit plan and discuss and approve the audit scope, staffing, locations, reliance upon management, and general audit approach.
10. Prior to releasing the year-end earnings, discuss the results of the audit with the external auditors. Discuss any matters that are required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants.
11. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting.

#### Legal Compliance

12. On at least an annual basis, review with the Company's counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

#### Other Miscellaneous Responsibilities

13. Annually assess the effectiveness of the Committee against its Mandate and report the results of the assessment to the Board.
14. Prepare and disclose a summary of the Mandate to shareholders.
15. Perform any other activities consistent with this Mandate, the Company's by-laws and governing law, as the Committee or the Board deems necessary or appropriate.

#### ***Authority***

The Committee shall have the authority to:

1. delegate approval-granting authority to pre-approve non-audit services by the external auditor to one or more of its members;
2. engage independent counsel and other advisors as it determines necessary to carry out its duties;
3. set and pay the compensation for any advisors employed by the Committee; and
4. communicate directly with the external auditors.

### ***Reporting***

The Committee shall report its deliberations and discussions regularly to the Board and shall submit to the Board the minutes of its meetings.

### ***Resources***

The Committee shall have full and unrestricted access to all of the Company's books, records, facilities and personnel as well as the Company's external auditors and shall have the authority, in its sole discretion, to conduct any investigation appropriate to fulfilling its responsibilities. The Committee shall further have the authority to retain, at the Company's expense, such special legal, accounting or other consultants or experts as it deems necessary in the performance of its duties and to request any officer or employee of the Company or the Company's external counsel or auditors to attend a meeting of the Committee.

### ***Limitation on the Oversight Role of the Committee***

Nothing in this Charter is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all members of the Board are subject.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Company's external auditors.

Each member of the Committee shall be entitled, to the fullest extent permitted by law, to rely on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Company by such persons or organizations.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and in accordance with generally accepted accounting principles and applicable rules and regulations, each of which is the responsibility of management and the Company's external auditors.

**ATEBA RESOURCES INC.**

**Procedures for Receipt of Complaints and Submissions  
Relating to Accounting Matters**

1. The Company shall inform employees on the Company's intranet, if there is one, or via a newsletter or e-mail that is disseminated to all employees at least annually, of the officer (the "**Complaints Officer**") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
2. The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
3. The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Company.
4. Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
5. The Complaints Officer shall retain a record of a complaint or submission received for a period of six years following resolution of the complaint or submission.

## **ATEBA RESOURCES INC.**

### **Procedures for Approval of Non-Audit Services**

1. The Company's external auditors shall be prohibited from performing for the Company the following categories of non-audit services:
  - (a) bookkeeping or other services related to the Company's accounting records or financial statements;
  - (b) financial information systems design and implementation;
  - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
  - (d) actuarial services;
  - (e) internal audit outsourcing services;
  - (f) management functions;
  - (g) human resources;
  - (h) broker or dealer, investment adviser or investment banking services;
  - (i) legal services;
  - (j) expert services unrelated to the audit; and
  - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Company wishes to retain the services of the Company's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Company shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Company shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

## SCHEDULE "B"

### BY-LAW NO. 1

A by-law relating generally to the conduct of the affairs of

**ATEBA RESOURCES INC.**  
(hereinafter called the "**Corporation**")

**BE IT ENACTED** as a by-law of the Corporation as follows:

#### INTERPRETATION

##### 1.1 Definitions.

In this By-law No.1, unless the context otherwise requires:

"**Act**" means the *Business Corporations Act*, R.S.O. 1990, c. B.16 and the regulations made thereunder, as from time to time amended, and every statute or regulation that may be substituted therefor;

"**appointed**" includes "**elected**" and vice versa;

"**articles**" means the articles of the Corporation as from time to time amended or restated;

"**board**" means the board of directors of the Corporation and "**director**" means a member of the board;

"**by-laws**" means this By-law No.1 and all other by-laws of the Corporation from time to time in force and effect;

"**By-law No 1**" means this by-law;

"**meeting of shareholders**" includes an annual meeting of shareholders and a special meeting of shareholders;

"**non-business day**" means Saturday, Sunday and any other day that is a holiday as defined in the *Legislation Act* (Ontario), 2006, S.O. 2006, c. 21, Sched. F, as from time to time amended, and every statute or regulation that may be substituted therefor;

"**offering corporation**" means a corporation as defined in the Act;

"**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com);

"**special meeting of shareholders**" includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

"**recorded address**" means, in the case of a shareholder, the shareholder's address as recorded in the securities register; and in the case of joint shareholders, the address appearing in the securities register in respect of such joint holding or the first address so appearing if there is more than one; and, in the case of a director, officer, auditor or member of a committee of the board, the latest address of such person as shown in the records of the Corporation or in the most recent notice filed under the *Corporations Information Act* (Ontario) or any statute that may be substituted for it, whichever, to the knowledge of the Corporation, is the more current; and

"**signing officer**" means, in relation to any instrument, any person authorized to sign on behalf of the Corporation by section 2.4 of this By-law No.1 or by a resolution passed pursuant thereto;

## **1.2 Interpretation.**

Unless defined in section 1.1, words and expressions defined in the Act have the same meanings when used herein. Words importing the singular number include the plural and vice versa. Words importing gender include the feminine, masculine and neuter genders. Words importing a person include an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, trust, unincorporated organization, body corporate and a natural person in his or her capacity as trustee, executor, administrator, or other legal representative.

## **BUSINESS OF THE CORPORATION**

### **2.1 Registered Office.**

The registered office of the Corporation shall be at the location in Ontario initially specified in the articles of the Corporation, and thereafter, provided same is permitted under the Act, from time to time the Corporation may (i) by resolution of the directors change the location of the registered office of the Corporation within a municipality or geographic township, and (ii) by special resolution, change the municipality or geographic township in which its registered office is located to another place in Ontario.

### **2.2 Corporate Seal.**

The Corporation may, but need not, have a corporate seal and if one is adopted it shall be in a form approved from time to time by the board.

### **2.3 Financial Year.**

The board may, by resolution, fix the financial year end of the Corporation, and the board may from time to time, by resolution, change the financial year of the Corporation.

### **2.4 Execution of Instruments.**

Deeds, transfers, assignments, contracts, obligations, certificates and other instruments may be signed on behalf of the Corporation by any one of the following: by any one person who holds the office of chair of the board, chief executive officer, president, chief financial officer, executive vice-president, senior vice-president, secretary, treasurer, assistant secretary or the holder of any other office created from time to time by by-law or the board. In addition, the board may from time to time direct by resolution the manner in which and the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer may affix the corporate seal to any instrument requiring the same.

### **2.5 Banking Arrangements.**

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

### **2.6 Voting Rights in Other Bodies Corporate.**

The signing officers of the Corporation under section 2.4 hereof may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments shall be in favour of such person or persons as may be determined by the officers executing or arranging for them. In addition, the board may from time to time direct the manner in which and the person by whom any particular voting rights or class of voting rights may or shall be exercised.

## **BORROWING AND SECURITY**

### **3.1 Borrowing Power.**

Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles, the board may from time to time on behalf of the Corporation, without authorization of the shareholders:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) give a guarantee on behalf of the Corporation to secure performance of any obligation of any person;  
and
- (d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

### **3.2 Delegation.**

Subject to the Act and the articles, the board may from time to time delegate to a committee of the board, a director or an officer of the Corporation or any other person as may be designated by the board all or any of the powers conferred on the board by section 3.1 hereof or by the Act to such extent and in such manner as the board may determine at the time of each such delegation.

## **DIRECTORS**

### **4.1 Number of Directors.**

Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum number of directors provided in the articles, provided, however, that for so long as the Corporation is an offering corporation, the board shall consist of not fewer than three directors.

### **4.2 Qualification.**

A person shall be disqualified from being a director of the Corporation if such person is less than 18 years of age, has been found under the *Substitute Decisions Act* (Ontario) or under the *Mental Health Act* (Ontario) to be incapable of managing property, has been found to be incapable by a court in Canada or elsewhere, is not an individual, or has the status of a bankrupt. A director need not be a shareholder. The board shall be comprised of the number of Canadian residents as may be prescribed from time to time by the Act.

### **4.3 Election and Term.**

The election of directors shall take place at each annual meeting of shareholders. Subject to the Act, each director shall cease to hold office at the close of the first annual meeting of shareholders following his or her election, but, if qualified, shall be eligible for re-election at such annual meeting. Subject to the Act and section 4.1 hereof, the number of directors to be elected at any such meeting shall be the number of directors determined from time to time by special resolution or, if the special resolution empowers the directors to determine the number, by resolution of the board. The election shall be by ordinary resolution. If directors are not elected at a meeting of shareholders, the incumbent directors shall continue in office until their successors are elected.



#### 4.4

#### Advanced Notice.

- (a) Subject to the provisions of the Act and the articles, a nominee will not be eligible for election as director of the Corporation unless such nomination is made in accordance with the following procedures. Nominations of a person for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the director of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice provided for below in this section 4.4 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this section 4.4.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the registered office of the Corporation in accordance with this section 4.4.
- (c) To be timely, a Nominating Shareholder's notice to the secretary of the Corporation must be made (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and (ii) in the case of a special meeting (other than an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.
- (d) To be in proper written form, a Nominating Shareholder's notice to the secretary of the Corporation must set forth (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person (B) the principal occupation or employment of the person (C) the class or series and number of shares in the share capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities legislation; and (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and applicable securities legislation. The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (e) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this section 4.4; provided, however, that nothing in this section 4.4 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (f) Notwithstanding any other provision of the by-laws, notice given to the secretary of the Corporation pursuant to this section 4.4 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary of the Corporation at the address of the registered office of the Corporation; provided that if such delivery or electronic communication is made on a non-business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (g) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section 4.4.

#### **4.5 Removal of Directors.**

Subject to the Act, the shareholders may by ordinary resolution passed at an annual or special meeting of shareholders remove any director from office and the vacancy created by such removal may be filled by the election of any qualified individual at the same meeting, failing which it may be filled by the board.

#### **4.6 Vacation of Office.**

A director ceases to hold office when he or she dies; he or she is removed from office by the shareholders; he or she ceases to be qualified for election as a director, or his or her written resignation is received by the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.

#### **4.7 Vacancies.**

Subject to the Act, a quorum of the board may appoint a qualified individual to fill a vacancy in the board.

#### **4.8 Action by the Board.**

The board shall manage or supervise the management of the business and affairs of the Corporation. The powers of the board may be exercised at a meeting (subject to sections 4.9 and 4.10 hereof) at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy or vacancies in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office.

#### **4.9 Meetings by Telephone.**

If all the directors of the Corporation consent thereto generally or if all the directors of the Corporation present at or participating in the meeting consent, a director may participate in a meeting of the board or a committee of the board by means of telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other, simultaneously and instantaneously, and a director participating in such meeting by such means shall be deemed to be present at the meeting. Any such consent shall be effective whether given before

or after the meeting to which it relates and may be given with respect to all meetings of the board and of committees of the board. If a majority of the directors participating in a meeting held pursuant to this section are then in Canada, the meeting shall be deemed to have been held in Canada.

**4.10 Place of Meeting.**

Meetings of the board shall be held at any place within or outside Ontario.

**4.11 Calling of Meetings.**

Meetings of the board shall be held from time to time at such place (subject to section 4.10 hereof), at such time and on such day as the board, the chair of the board, the president or any two directors may determine.

**4.12 Notice of Meeting.**

Notice of the time and place of each meeting of the board shall be given in the manner provided in section 11 hereof to each director (a) not less than 48 hours before the time when the meeting is to be held if the notice is mailed, or (b) not less than 24 hours before the time when the meeting is to be held if the notice is given personally or is delivered or sent by any means of transmitted or recorded communication; provided that no notice of a meeting shall be necessary if all the directors in office are present or if those absent waive notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business or the general nature thereof to be specified.

**4.13 Attendance of Auditors.**

The auditors of the Corporation shall be entitled to attend and be heard at meetings of the board on matters relating to their duties as auditors.

**4.14 First Meeting of New Board.**

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

**4.15 Adjourned Meeting.**

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

**4.16 Regular Meetings.**

The board may appoint a day or days in any month or months for regular meetings at a place and hour to be named. A copy of any resolution of the board fixing the place and time of regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act required the purpose thereof or the business to be transacted thereat to be specified.

**4.17 Chair.**

The chair of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: the chair of the board, the chief executive officer, the president, an executive vice-president or a vice-president. If no such officer is present, the directors present shall choose one of their number to be chair.

**4.18 Quorum.**

The quorum for the transaction of business at any meeting of the board shall be two-fifths of the number of directors then in office or such greater number of directors as the board may from time to time determine.

**4.19 Votes to Govern.**

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chair of the meeting shall be entitled to a second or casting vote.

**4.20 Conflict of Interest.**

A director who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose to the Corporation the nature and extent of that interest at the time and in the manner provided by the Act. Such a director shall not attend any part of a meeting of directors during which the contract or transaction is discussed and shall not vote on any resolution to approve the same except as permitted by the Act. If no quorum exists for the purpose of voting on such a resolution only because a director is not permitted to be present at the meeting, the remaining directors shall be deemed to constitute a quorum for the purposes of voting on the resolution.

**4.21 Remuneration and Expenses.**

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

**4.22 Resolution in Lieu of Meeting.**

A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board or a committee of the board is as valid as if it had been passed at a meeting of the board or committee of the board. A resolution in writing takes effect on the day on which the last director who is entitled and required to sign the resolution signs it. A resolution in writing may be signed in one or more counterparts and such counterparts taken together shall constitute the same resolution. A counterpart signed by a director and transmitted by facsimile or other device capable of transmitting a printed message is as valid as an originally signed counterpart.

**COMMITTEES**

**5.1 Committees of the Board.**

The board may appoint from its number one or more committees of the board, however designated, and delegate to any such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of the board has no authority to exercise.

**5.2 Transaction of Business.**

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

### **5.3 Audit Committee.**

If the Corporation is an offering corporation the board shall elect annually from among its number an audit committee to be composed of not fewer than three directors, each of whom shall be eligible to serve as a member of an audit committee under the Act, applicable securities legislation and applicable stock exchange rules. The audit committee shall have the powers and duties provided in the Act and in any committee charter as may be adopted by the board from time to time.

### **5.4 Advisory Bodies.**

The board may from time to time appoint such advisory bodies as it may deem advisable.

### **5.5 Procedure.**

Unless otherwise determined by the board, each committee of the board and each advisory board shall have power to fix its quorum at not less than two-fifths of its members, to elect its chair and to regulate its procedure.

## **OFFICERS**

### **6.1 Appointment.**

The board may from time to time appoint a chief executive officer, president, one or more senior or executive vice-presidents (to which title may be added words indicating function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. One person may hold more than one office. The board may specify the duties of and, in accordance with this By-law No.1 and subject to the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to section 6.4 hereof, an officer of the Corporation may but need not be a director.

### **6.2 Chief Executive Officer.**

The board may designate one of its officers of the Corporation as chief executive officer of the Corporation and may from time to time revoke any such designation and designate another officer of the Corporation as chief executive officer of the Corporation. The officer designated as chief executive officer shall, subject to the authority of the board, have general supervision and control of the affairs of the Corporation.

### **6.3 Chief Financial Officer.**

The board may designate one of the officers of the Corporation as chief financial officer of the Corporation and may from time to time revoke any such designation and designate another officer of the Corporation as chief financial officer of the Corporation. The officer designated as chief financial officer shall have such duties and exercise such powers as the board may from time to time prescribe.

### **6.4 Chair of the Board.**

The board may from time to time also appoint a chair of the board who shall be a director. If appointed, the chair of the board shall, if present, preside at all meetings of the board and shareholders. In addition, he or she shall have such other powers and duties as the board may specify by resolution or as are incident to his or her office.

### **6.5 Vice Chair of the Board.**

The board may from time to time also appoint a vice chair of the board who shall be a director. If appointed, he or she shall have such powers and duties as the board may specify by resolution or as are incident to his or her office.

**6.6 President.**

Unless otherwise designated by the board in accordance with section 6.2 hereof, the president shall be the chief executive officer of the Corporation and, subject to the authority of the board and the powers designated to the chief executive officer (if the chief executive officer is not also the president), shall have general supervision of the affairs and business of the Corporation. During the absence or disability of the president, his or her duties shall be performed and his or her powers exercised by the officer or officers of the Corporation designated from time to time by the board.

**6.7 Executive or Senior Vice-President.**

An executive or senior vice-president shall have such powers and duties as the board or the president may prescribe.

**6.8 Secretary.**

Unless otherwise determined by the board, the secretary shall attend, and be the secretary of, all meetings of the board, shareholders and committees of the board. The secretary shall enter or cause to be entered in records kept for that purpose minutes of all proceedings at meetings of the board, the shareholders and committees of the board, whether or not he or she attends such meetings. He or she shall give or cause to be given, as and when instructed, all notices to directors, shareholders, auditors and members of committees of the board. He or she shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose, and he shall have such other powers and duties as otherwise may be specified.

**6.9 Treasurer.**

The board may designate a treasurer who, subject to any resolution of the board and under the direction of the board, shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation. Subject to any resolution of the board, he or she shall render to the board whenever required an account of all his or her transactions as treasurer and of the financial position of the Corporation and he or she shall have such other powers and duties as otherwise may be specified.

**6.10 Powers and Duties of Officers.**

The powers and duties of all officers shall be such as the terms of their engagement call for or as the board or (except for those whose powers and duties are to be specified only by the board) the chief executive officer may specify. The board and (except as aforesaid) the chief executive officer may, from time to time and subject to the Act, vary, add to or limit the powers and duties of an officer. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

**6.11 Term of Office.**

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

**6.12 Terms of Employment and Remuneration.**

The terms of employment and the remuneration of officers elected or appointed by the board shall be settled by it from time to time.

### **6.13 Agents and Attorneys.**

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

### **6.14 Fidelity Bonds.**

The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine.

## **PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

### **7.1 Limitation of Liability.**

Every director and officer of the Corporation in exercising his or her powers and discharging his or her duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director, officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by order of the board for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his or her part, or for any other loss, damage or misfortune which shall happen in the execution of the duties of his or her office or in relation thereto, unless the same are occasioned by his or her own willful neglect or default, provided that nothing herein shall relieve any director or officer of any liability imposed upon him or her by the Act.

### **7.2 Indemnity.**

Subject to the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his or her heirs, executors, administrators and other legal personal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of having been a director or officer of the Corporation or body corporate of which the Corporation is or was a shareholder or creditor, if (a) he or she acted honestly and in good faith with a view to the best interests of the Corporation; and (b) in the case of a criminal or administrative action or proceeding enforced by a monetary penalty, he or she had reasonable grounds for believing that his or her conduct was lawful. The Corporation may also indemnify that person in such other circumstances as the Act or law permits or requires. Nothing in this By-law No.1 shall limit the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this By-law No.1.

### **7.3 Advance of Costs.**

The Corporation shall advance moneys to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in section 7.2 hereof. The individual shall repay the moneys if the individual does not fulfil the conditions of section 7.2 hereof.

#### **7.4 Insurance.**

Subject to the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as the board may from time to time determine.

### **SHARES**

#### **8.1 Allotment of Shares.**

Subject to the Act and the articles, the board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation in such manner and to such persons or class of persons as the board shall by resolution determine, provided that no share shall be issued until it is fully paid as provided by the Act.

#### **8.2 Commissions.**

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

#### **8.3 Transfer Agents and Registrars.**

The board may from time to time by resolution appoint a registrar to keep the register of security holders and a transfer agent to keep the register of transfers and may also appoint one or more branch registrars to keep branch registers of security holders and one or more branch transfer agents to keep branch registers of transfers, but one person may be appointed both registrar and transfer agent. The board may at any time terminate any such appointment.

#### **8.4 Registration of Transfer.**

Subject to the Act, no transfer of shares shall be registered in a register of transfers or branch register of transfers except upon presentation of the certificate representing the share endorsement made on or delivered with it which complies with the Act, duly executed by the appropriate person as provided by the Act, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the board may from time to time prescribe, and on payment of all applicable taxes and any reasonable fees prescribed by the board, and compliance with such restrictions on transfer as are authorized by the articles, if any, and on satisfaction of any lien referred to in section 8.5 hereof.

#### **8.5 Lien for Indebtedness.**

The Corporation shall have a lien on the shares registered in the name of a shareholder who is indebted to the Corporation except where such class or series of shares of the Corporation is listed on a stock exchange, and the lien may be enforced, subject to the articles, by the sale of the shares affected by it or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending enforcement, the Corporation may refuse to register a transfer of the whole or any part of those shares.

#### **8.6 Non-Recognition of Trusts.**

Subject to the Act, the Corporation may treat the registered holder of any share as the person exclusively entitled to vote, to receive notices, to receive any dividend or other payment in respect of the share, and otherwise to exercise all the rights and powers of an owner of the share.



## **8.7 Share Certificates.**

Every holder of one or more fully paid shares of the Corporation shall be entitled, at his or her option, to a share certificate, or to a non-transferable written certificate of acknowledgement of his or her right to obtain a share certificate, stating the number and class or series of shares held by him or her as shown on the securities register, and stating that such shares are fully paid. Share certificates shall be in such form as the board shall from time to time approve and shall be signed in accordance with section 2.4 hereof and need not be under the corporate seal; provided that, unless the board otherwise orders, certificates representing shares in respect of which a transfer agent, registrar, or both has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent or registrar, the signatures of both signing officers may be mechanically reproduced upon share certificates and every such signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose signature appears thereon no longer holds office at the date of issue or delivery of the certificate.

## **8.8 Replacement of Share Certificates.**

The board or any officer or agent designated by the board may in its or his or her discretion direct the issue of a new share certificate or other such certificate in lieu of and on cancellation of a share certificate that has been mutilated or in substitution for a certificate claimed to have been lost, apparently destroyed or wrongfully taken, on payment of such reasonable fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

## **8.9 Joint Shareholders.**

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

## **8.10 Deceased Shareholders.**

In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the register of shareholders in respect of the death or to make any dividend or other payments in respect of the share except on production of all such documents as may be required by law and on compliance with the reasonable requirements of the Corporation and its transfer agents.

# **DIVIDENDS AND RIGHTS**

## **9.1 Dividends.**

Subject to the Act and the articles, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by the issue of fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation. Any dividend unclaimed after a period of two years from the date on which it has been declared to be payable shall be forfeited and shall revert to the Corporation.

## **9.2 Dividend Cheques.**

A dividend payable in money shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his or her address appearing on the securities register, unless such holder otherwise directs. In the case of joint holders, the cheque shall, unless such joint holders otherwise jointly direct, be

made payable to the order of all the joint holders and mailed to them at the address appearing on the register of shareholders in respect of such joint holding, or to the first address so appearing if there are more than one. The mailing of such cheque, unless it is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented by it plus the amount of any tax which the Corporation is required to and does withhold.

### **9.3 Non-Receipt of Cheques.**

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

### **9.4 Record Date for Dividends and Rights.**

The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of the dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before the record date in the manner provided by the Act. In every such case, only persons who are shareholders of record at the close of business on the record date so fixed shall be entitled to receive payment of such dividend or to exercise the right to subscribe for such securities and to receive the warrant or other evidence in respect of such right, notwithstanding the transfer or issue of any shares after the record date is fixed.

## **MEETINGS OF SHAREHOLDERS**

### **10.1 Annual Meetings.**

The annual meeting of shareholders shall be held at such time in each year and, subject to section 10.3 hereof, at such place as the board, the chair of the board may from time to time determine, for the purpose of receiving the reports and statements required by the Act to be laid before the annual meeting, electing directors, appointing auditors and fixing or authorizing the board to fix the remuneration of the auditors, and for the transaction of such other business as may properly be brought before the meeting.

### **10.2 Special Meetings.**

The board or the chair of the board shall have power to call a special meeting of shareholders at any time.

### **10.3 Place of Meetings.**

Meetings of shareholders shall be held at such place within or outside Ontario as the directors determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

### **10.4 Participation in Meeting by Electronic Means.**

Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the Act, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

### **10.5 Meeting held by Electronic Means.**

If the directors or the shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the Act, entirely

by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

#### **10.6 Notice of Meetings.**

Notice of the time and place of each meeting of shareholders shall be sent in the manner provided in section 11 hereof not less than 10 days, or if the Corporation is an offering corporation not less than 21 days, but in either case not more than 50 days before the date of the meeting to each director, to the auditor, and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a special meeting of shareholders shall state the nature of the business in sufficient detail to permit the shareholder to form a reasoned judgement on it and shall give the text of any ordinary resolution, special resolution, or by-law to be submitted to the special meeting.

#### **10.7 List of Shareholders Entitled to Notice.**

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting. The list shall be arranged in alphabetical order and show the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to section 10.8 hereof, the shareholders listed shall be those registered at the close of business on that record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared.

#### **10.8 Record Date for Notice.**

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

#### **10.9 Meetings Without Notice.**

A meeting of shareholders may be held without notice at any time and at any place permitted by the Act or the articles (a) if all the shareholders entitled to vote thereat are present in person or duly represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice, or otherwise consent to the meeting being held; so long as the shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting, any business may be transacted which the Corporation may transact at a meeting of shareholders.

#### **10.10 Chair, Secretary and Scrutineers.**

The chair of the board, if such an officer has been elected or appointed and is present, otherwise another director of the Corporation who is a shareholder of the Corporation, shall be chair of any meeting of shareholders. If no such person is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chair. If the secretary of the Corporation is absent, the chair shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chair with the consent of the meeting.

**10.11 Persons Entitled to be Present.**

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

**10.12 Quorum.**

A quorum for the transaction of business at any meeting of shareholders shall be two persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxyholder or representative for a shareholder so entitled. If a quorum is present at the opening of any meeting of shareholders, the shareholders present or represented may proceed with the business of the meeting even if a quorum is not present throughout the meeting.

If a quorum is not present at the time appointed for the meeting or within a reasonable time after that which the shareholders may determine, the shareholders present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

**10.13 Right to Vote.**

Every person named in the list referred to in section 10.7 hereof shall be entitled to vote the shares shown on the list opposite his or her name at the meeting to which the list relates.

**10.14 Proxyholders and Representatives.**

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, as his or her nominee to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his or her attorney and shall conform to the requirements of the Act. Alternatively, every shareholder which is a body corporate or association may authorize by resolution of its directors or governing body an individual to represent it at a meeting of shareholders and that individual may exercise on the shareholder's behalf all the powers it could exercise if it were an individual shareholder. The authority of such an individual shall be established by depositing with the Corporation a certified copy of the resolution, or in such other manner as may be satisfactory to the secretary of the Corporation or the chair of the meeting. Any such proxyholder or representative need not be a shareholder.

**10.15 Time for Deposit of Proxies.**

The board may fix a time, not exceeding 48 hours, excluding non-business days, preceeding any meeting or adjourned meeting of shareholders before which time proxies to be used at the meeting must be deposited with the Corporation or its agent, and any time so fixed shall be specified in the notice calling the meeting. A proxy shall be acted on only if, prior to the time so fixed and specified in the notice calling the meeting, it has been deposited with the Corporation or its agent or, if no such time is specified in the notice, it has been received by the secretary of the Corporation or by the chair of the meeting or any adjournment thereof before the time of voting.

**10.16 Personal Representative.**

If the shareholder of record is deceased, his or her personal representative, upon filing with the secretary of the meeting sufficient proof of his or her appointment, shall be entitled to exercise the same voting rights at any meeting of shareholders as the shareholder of record would have been entitled to exercise if he or she were living, and for the purposes of the meeting shall be considered a shareholder. If there is more than one personal representative, the provisions of section 10.17 hereof shall apply.

**10.17 Joint Shareholders.**

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

**10.18 Votes to Govern.**

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

**10.19 Show of Hands.**

Subject to the Act, any question at a meeting of shareholders shall be decided by a show of hands, unless a ballot thereon is required or demanded as hereinafter provided, and upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chair of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

**10.20 Ballots.**

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, the chair may require a ballot or any person who is present and entitled to vote on such question at the meeting may demand a ballot. A ballot so required or demanded shall be taken in such manner as the chair shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which such person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

**10.21 Adjournment.**

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

**NOTICES**

**11.1 Method of Giving Notices.**

Any notice (which term includes any communication or document) to be given (which term includes sent, transmitted, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given, if mailed to such person at the person's recorded address by prepaid mail, or if transmitted by telephone, facsimile or other electronic means in accordance with the *Electronic Commerce Act* (Ontario). A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to

have been given when dispatched or delivered by dispatch. A notice so delivered shall be deemed to have been received when it is delivered personally, a notice so mailed shall be deemed to have been received at the time it would be delivered in the ordinary course of mail, and a notice so transmitted shall be deemed to have been received on the day it is transmitted. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the secretary to be reliable.

#### **11.2 Notice to Joint Shareholders.**

If two or more persons are registered as joint holders of any share, notice to one of such persons shall be sufficient notice to all of them. Any notice shall be addressed to all of such joint holders and the address to be used for the purposes of section 11.1 hereof shall be the address appearing on the securities register in respect of such joint holding, or the first address so appearing if there are more than one.

#### **11.3 Computation of Time.**

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

#### **11.4 Undelivered Notices.**

If any notice given to a shareholder pursuant to section 11.1 hereof is returned on three consecutive occasions because he or she cannot be found, the Corporation shall not be required to give any further notices to that shareholder until he or she informs the Corporation in writing of his or her new address.

#### **11.5 Omissions and Errors.**

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

#### **11.6 Persons Entitled by Death or Operation of Law.**

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

#### **11.7 Waiver of Notice.**

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

**11.8 Electronic Documents.**

A requirement under these by-laws that a notice, document or other information be provided in writing may be satisfied by providing an electronic document and a requirement under these by-laws for a signature or that a document be executed, in relation to an electronic document, may be satisfied, in each case, if the requirements in the Act in respect thereof are met.

**EFFECTIVE DATE**

**12.1 Amendment and Restatement.**

This By-law No. 1 amends, restates and supercedes all of the previous by-laws of the Corporation. The amendment and restatement shall not affect the previous operation of any by-law so amended and restated or repealed, or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, or the validity of any articles or predecessor charter documents of the Corporation obtained pursuant to, any such by-law before its amendment and restatement or repeal. All officers and persons acting under any by-law so amended and restated or repealed shall continue to act as if appointed under the provisions of this By-law No.1 and all resolutions of the board, the shareholders or committees of the board with continuing effect passed under any amended and restated or repealed by-law shall continue to be good and valid except to the extent inconsistent with this By-law No.1 and until amended or repealed.

**12.2 Effective Date.**

This By-law No.1 shall come into force upon being passed by the board except with respect to those provisions, if any, which may require the prior approval of shareholders in which event those portions of this By-law No.1 shall come into effect upon having been approved by the shareholders.

**ENACTED** this ● day of ●, ●.

**WITNESS** the corporate seal of the Corporation.

\_\_\_\_\_  
President

\_\_\_\_\_  
Secretary

**CONFIRMED** by the shareholders in accordance with the Act the ● day of ●, ●.

\_\_\_\_\_  
Secretary