



ORSU METALS CORPORATION

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting of shareholders (the “**Meeting**”) of Orsu Metals Corporation (the “**Corporation**” or “**Orsu Metals**”) will be held at the office of the Corporation, Unit 1 – 15782 Marine Drive, White Rock, B.C. on the 26th day of June, 2020 at 9:00 a.m. (Pacific Time) for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2019 together with the report of the auditors thereon;
2. to appoint auditors for the Corporation for the ensuing year at a remuneration to be fixed by the directors of the Corporation;
3. to elect directors to the board of directors of the Corporation;
4. to consider and, if thought fit, to approve a resolution in the form presented in the Information Circular accompanying this Notice, approving the renewal of the stock option plan for directors, officers, employees, consultants and other personnel of the Corporation, subject to regulatory approval;
5. to consider and, if thought fit, to approve the Continuation Resolution in the form presented in the Information Circular accompanying this Notice, approving the continuation of the Corporation from the BVI to British Columbia, Canada; and
6. to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this notice is the Information Circular and a form of proxy. The Information Circular provides further information relating to the matter to be addressed at the Meeting and is incorporated into this notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign and mail or deliver the enclosed form of proxy in accordance with the instructions set out in the Information Circular and in the proxy accompanying this notice.

Please advise the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, Toronto, Ontario, M5J 2Y1 Canada, of any change in your mailing address.

DATED as of the 22nd day of May 2020.

BY ORDER OF THE BOARD

/s/ Sergey V. Kurzin

Dr. Sergey V. Kurzin,
Executive Chairman



ORSU METALS CORPORATION

MANAGEMENT INFORMATION CIRCULAR AS AT MAY 22, 2020

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF ORSU METALS CORPORATION (THE “CORPORATION” OR “ORSU METALS”) FOR USE AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION (THE “MEETING”) (AND ANY ADJOURNMENT OR POSTPONEMENT THEREOF) TO BE HELD ON JUNE 26, 2020, AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING. While it is expected that such solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the regular employees of the Corporation at nominal cost. All costs of solicitation by management will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The individuals named in the accompanying form of proxy are directors and officers of the Corporation. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM, HER OR IT AT THE MEETING HAS THE RIGHT TO DO SO BY INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof, must, in all cases, deposit the completed proxy with the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, Canada, facsimile: within North America +1 (866) 249-7775 and outside North America +1 (416) 263-9524 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment or postponement thereof. The time limit for deposit of proxies may be waived or extended by the Chairman of the Meeting at his discretion without notice.

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his, her or its attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Corporation’s registrar and transfer agent, Computershare Investor Services Inc., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1 Canada, facsimile: within North America +1 (866) 249-7775 and outside North America +1 (416) 263-9524 or the corporate office of the Corporation at Unit 1 - 15782 Marine Drive, White Rock, B.C. V4B 1E6 Canada at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION BY PROXIES

The shares represented by proxies in favour of management nominees will be voted for or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the 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 MOTIONS PROPOSED TO BE MADE AT THE MEETING AS DESCRIBED IN THIS INFORMATION 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 ACCOMPANYING THIS INFORMATION CIRCULAR AND WITH RESPECT TO OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING IN SUCH MANNER AS SUCH NOMINEE IN HIS, HER OR ITS JUDGMENT MAY DETERMINE.** At the time of printing this Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

NON-REGISTERED SHAREHOLDERS

Only registered holders of common shares of the Corporation (each, a “**Common Share**”) or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a person (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, RRIFFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation will have distributed copies of this Information Circular and the accompanying Notice of Meeting and form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to certain Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to such Non-Registered Holders and the Non-Registered Holders will be given, in substitution for the proxy otherwise provided with the Meeting Materials, a request for voting instructions (the “**voting instructions form**”) which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute voting instructions which the Intermediary must follow. The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own.

Should a Non-Registered Holder who receives the voting instructions form or other proxy wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose on such document. Where applicable, a form of legal proxy will be sent to the Non-Registered Holder. In any event, Non-Registered Holders should carefully follow the instructions set out in the voting instructions form or other proxy.

This Information Circular and accompanying securityholder materials are being sent to both registered owners of Common Shares and Non-Registered Holders. If you are a Non-Registered Holder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Common Shares on your behalf.

By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the voting instructions form or other proxy.

The Meeting Materials are not being sent to registered or beneficial owners using the Notice and Access procedures contained in NI 54-101. The Corporation is sending the Meeting Materials directly to non-objecting beneficial holders (as defined in NI 54-101). The Corporation will not pay for intermediaries to deliver the Meeting Materials to objecting beneficial holders (as defined in NI 54-101) and objecting beneficial holders will not receive the Meeting Materials unless their intermediary assumes the cost of delivery.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As at May 22, 2020, 42,478,367 Common Shares of the Corporation were issued and outstanding.

Only shareholders of record at the close of business on May 22, 2020 (the “**Record Date**”), who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have their Common Shares voted at the Meeting.

Each shareholder is entitled to one vote for each Common Share registered in his, her or its name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc. at the address listed above and will also be available at the Meeting. All matters to be voted upon at the Meeting must be approved by a resolution passed by the shareholders.

To the knowledge of the directors and officers of the Corporation, except as noted below, there are no persons or companies who beneficially own, or control or direct, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all outstanding Common Shares:

Shareholder	No. of Common Shares	% of outstanding Common Shares
Vladimir Pakhomov ⁽¹⁾	4,553,087	10.72%
Sergei Stefanovich ⁽²⁾	11,308,290	25.62%

Notes:

- (1) The 4,479,571 shares are owned as to 4,338,498 by OC Management Group Ltd., a private corporation, managed by Vladimir Pakhomov and 214,589 by Vladimir Pakhomov.
- (2) The 11,308,290 shares are owned as to 3,736,132 by Areco Associates Ltd., a private corporation, and 3,725,809 by Cormentum Foundation, both entities wholly owned by Sergei Stefanovich and 3,846,349 held directly by Sergei Stefanovich.

BUSINESS TO BE CONSIDERED AT THE MEETING

All references to \$ mean US dollars.

ITEM 1 - FINANCIAL STATEMENTS

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

ITEM 2 - APPOINTMENT OF THE AUDITOR

Davidson & Company LLP has served as auditor of the Corporation since July 31, 2017.

At the Meeting, shareholders of the Corporation will be requested to re-appoint Davidson & Company LLP as the Corporation's auditor to hold office for the ensuing year at remuneration to be fixed by the board of directors (the "**Board**") of the Corporation.

THE PERSONS NAMED IN THE FORM OF PROXY WHICH ACCOMPANYS THIS INFORMATION CIRCULAR INTEND TO VOTE FOR THE APPOINTMENT OF DAVIDSON & COMPANY LLP AS THE AUDITOR OF THE CORPORATION TO HOLD OFFICE UNTIL ITS SUCCESSOR IS APPOINTED AND TO AUTHORIZE THE BOARD TO FIX THE REMUNERATION OF THE AUDITOR UNLESS IT HAS BEEN SPECIFIED IN THE FORM OF PROXY THAT THE COMMON SHARES REPRESENTED BY SUCH FORM ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

ITEM 3 - ELECTION OF DIRECTORS

The Articles of Association of the Corporation provide that the Board must consist of a minimum of three (3) and a maximum of fifteen (15) directors. Each of the members of the Board shall be elected by the shareholders of the Corporation for such term as the shareholders shall determine, including on an annual basis, but a director's term of office shall not exceed the close of the third annual meeting following their election. The term of office of each of the present directors was for one year and therefore, the terms of such directors will expire at the close of the Meeting. It is intended that five (5) directors will be elected at the Meeting for the ensuing year.

The incumbent directors named below will be presented for election at the Meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Each director elected will hold office until the next annual meeting of the Corporation, unless his office is earlier vacated in accordance with the Articles of Association of the Corporation and the provisions of the *BVI Business Companies Act 2004*, as amended (British Virgin Islands) (the "**Act**").

On May 19, 2015, the Board unanimously adopted a majority voting policy for the election of directors at uncontested meetings of shareholders of the Corporation (the "**Majority Voting Policy**") which provides that a director must promptly tender his or her resignation (a "**Resignation Tender**") if the number of Common Shares voted 'FOR' is equal to or less than the number of Common Shares voted 'WITHHELD' for his or her election at a meeting of shareholders of the Corporation. A Resignation Tender will become effective upon acceptance by the Board. Upon receipt of a Resignation Tender, the Governance and Nominating Committee or such other committee to which the responsibility of administering the Majority Voting Policy has been delegated (the "**MVP Committee**") will consider the Resignation Tender and will recommend to the Board whether or not to accept or reject the Resignation Tender. Following the recommendation of the MVP Committee, the Board will be required to determine whether to accept or reject the Resignation Tender, not later than the 90th day immediately succeeding the date of the relevant meeting of shareholders. The Board will generally be expected to accept the Resignation Tender absent exceptional circumstances. The Board's decision will be promptly disclosed in a news release issued by the Corporation (which will include the Board's reasons for rejecting a Resignation Tender, if applicable). The full text of the Majority Voting Policy is available on the Corporation's website at www.orsumetals.com.

The Board also has an individual voting policy pursuant to which shareholders can vote their Common Shares in respect of each nominee individually rather than being required to vote in the same manner for all of the nominees together as a slate. If, at the Meeting, the number of nominees for election as directors exceeds the number fixed for such election, the five persons with the most ‘FOR’ votes will be elected. If the number of persons nominated for election as directors at the Meeting is the same as or less than the number of directors fixed, then the persons nominated will be elected as directors, subject to the provisions of the Majority Voting Policy set out above.

In considering director nominees, management and the Board seek to ensure that the Board is composed of members whose particular experience, qualifications, attributes and skills, when taken together, will allow the Board to satisfy its oversight obligations effectively.

The following table and notes thereto state the names of all persons proposed to be nominated by management for election as directors of the Corporation (each, a “**proposed director**”), their residence, all offices of the Corporation now held by them, their principal occupations or employments, the period of service as directors of the Corporation, the number of Common Shares beneficially owned, controlled or directed, directly or indirectly, by each of them as at the date hereof, and their present status on any committees of the Board.

Name, Residence and Position with the Corporation ⁽¹⁾	Principal Occupations ⁽¹⁾	Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽²⁾
Dr. Sergey V. Kurzin <i>London, United Kingdom</i> Director and Executive Chairman	Executive Chairman of the Corporation from June 2008 to present.	June 18, 2008	1,187,830
Mr. Sergei Stefanovich <i>Moscow, Russia</i> Director and Managing Director	Appointed as a Director and Managing Director of the Corporation on May 18, 2017.	May 18, 2017	11,308,290 ⁽⁴⁾
Mr. Mark Corra ⁽³⁾ <i>British Columbia, Canada</i> Non-Executive Director	Private business executive.	July 7, 2008	144,807
Mr. David Rhodes ⁽³⁾ <i>Kent, United Kingdom</i> Non-Executive Director	Managing Director of Endeavour Financial Limited (a financial services advisory firm) from June 2013 to present.	December 7, 2010	926,855 ⁽⁵⁾
Mr. Vladimir Pakhomov ⁽³⁾ <i>Moscow, Russia</i> Non-Executive Director	Managing Partner, OC Management Group Ltd. and OC Capital, a Russia-focused investment firm since 2012, Investment Director Onexim Group (2007-2010)	May 18, 2017	4,553,087 ⁽⁶⁾

Notes:

- (1) Information as to the residence and principal occupation has been provided by individual directors.
- (2) The information as to voting securities beneficially owned, controlled or directed directly or indirectly, not being within the knowledge of the directors and executive officers of the Corporation, has been furnished by the respective individual directors.
- (3) Current member of the Audit Committee of the Corporation (the “**Audit Committee**”), of which Mr. Corra is the Chairman.
- (4) The 11,308,290 shares are owned as to 3,736,132 by Areco Associates Ltd., a private corporation, and 3,725,809 by Cormentum Foundation, both entities wholly owned by Sergei Stefanovich and 3,846,349 held directly by Sergei Stefanovich.
- (5) The 926,855 shares are owned as to 658,000 by Endeavour Financial AG, a corporation controlled by David Rhodes and 268,855 by David Rhodes.
- (6) The 4,479,571 shares are owned as to 4,338,498 by OC Management Group Ltd., a private corporation, managed by Vladimir Pakhomov and 214,589 by Vladimir Pakhomov.

Corporate Cease Trade Orders

Except as noted below, no proposed director of the Corporation is, or has been within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, while that person was acting in that capacity, was subject to:

- (a) a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or

- (b) an event that resulted, after the proposed director ceased to be a director, chief executive officer or chief financial officer, in the relevant company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days.

Mark Corra was a director of Energold Drilling Corp. (“EDC”) at the date of a cease trade order issued by the British Columbia Securities Commission on October 3, 2019 for failure by EDC to file its interim financial statements for the three months ended June 30, 2019, including the related management discussion and analysis. The NEX board of the TSX Venture Exchange also suspended trading of the Company’s securities on the NEX board of the TSX Venture Exchange.

Penalties or Sanctions

No proposed director of the Corporation has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding to vote for a proposed director.

Bankruptcies

Except as noted below, no proposed director of the Corporation:

- (a) is, as at the date hereof, or has been within the ten (10) years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, or within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten (10) years before the date hereof, 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 his assets.

Mark Corra was a director of EDC when it filed for protection under the Companies' Creditors Arrangement Act (Canada) (the “CCAA”) on September 13th of 2019. Mr. Corra resigned as a director of EDC on October 9th, 2019.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF EACH OF THE ABOVE-NAMED PROPOSED DIRECTORS 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 PROPOSED DIRECTORS WILL BE UNABLE TO SERVE AS A DIRECTOR BUT, IF A PROPOSED DIRECTOR IS FOR ANY REASON UNABLE TO SERVE AS A DIRECTOR OF THE CORPORATION, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING PROPOSED DIRECTORS 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 ONE OR MORE DIRECTORS.

ITEM 4 - APPROVAL OF THE RENEWAL OF THE STOCK OPTION PLAN

The Board wishes to have the shareholders approve the renewal of the stock option plan (the “**Option Plan**”) pursuant to which the Corporation may grant incentive stock options to directors, officers, employees, and consultants of the Corporation or any of its affiliates (“**Eligible Persons**”). In accordance with the rules and policies of the TSX Venture Exchange (the “**TSX-V**”), shareholders must each year approve the Option Plan. The policies require that a stock option plan must specify a maximum number of shares issuable under it, which number can later be increased to a higher specified number only if authorized by the shareholders and accepted by the TSX-V.

The Option Plan permits the granting of options of up to 10% of the common shares of the Corporation issued and outstanding at the date of grant.

The Board is of the view that it is in the best interests of the Corporation to approve the renewal of the Option Plan, which will enable the Board to grant options to Eligible Persons as a means of rewarding positive performance and providing incentive to attract and retain personnel to effectively manage the affairs of the Corporation.

To summarize, the renewal of the Option Plan authorizes the Board to grant stock options to the Eligible Persons on the following terms:

1. The number of shares subject to each option is determined by the Board provided that the Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any twelve (12) month period, result in:
 - (a) the issuance of stock options to any one person, within that period, of a number of shares exceeding 5% of the issued shares of the Corporation;
 - (b) the issuance, within that period, to insiders of the Corporation of a number of shares exceeding 10%, or to one insider of a number exceeding 5%, or to a consultant of a number exceeding 2%; the aggregate number of shares granted to all eligible recipients employed to provide investor relations activities (as defined by the TSX-V) must not exceed 2% of the issued shares of the Corporation.
2. The aggregate number of shares which may be issued pursuant to options granted under the Option Plan, inclusive of options granted and outstanding under the previous stock option plan, may not exceed 10% of the issued and outstanding shares of the Corporation as at the date of the grant (after giving effect to the amendment described above).
3. The exercise price of options must be determined by the Board in compliance with applicable stock exchange policies.
4. The Option Plan provides that options are exercisable for ten years unless the Board provides for another exercise period when the options are granted in compliance with applicable stock exchange policies.
5. Options granted under the Option Plan are non-assignable and non-transferable. The options can only be exercised by the option holder as long as the option holder remains an Eligible Person pursuant to the Option Plan or within a period of not more than ninety (90) days thirty(30) days for providers of investor relations services) after ceasing to be an Eligible Person or, if the option holder dies or can no longer serve the Corporation due to disability, within the earlier of (a) a period following such death or disability equal to the period of such option holder's service to the Corporation, and (b) 365 days from the date of the optionee's death or disability.
6. The options granted pursuant to the Option Plan will be vested on a basis to be determined by the Board and may be vested immediately upon granting.
7. Options issued to eligible persons performing investor relations activities must vest in stages that are twelve (12) months with no more than one-quarter of the options vesting in any three-month period.
8. On the occurrence of certain "substitution events" (including certain reorganizations, amalgamations, mergers or business combinations and takeover bids), all outstanding options will vest.
9. The Option Plan provides that the options of a deceased option holder expire on the earlier of (a) a period equal to the period the deceased option holder served the Corporation and (b) 365 days following death.
10. The Option Plan treats options held by employees who are no longer able to serve the Corporation due to disability the same way as options held by deceased option holders.
11. The Option Plan provides that if a consultant holding options becomes another kind of Eligible Person at the termination of a consulting contract - (e.g. if a consultant is hired as an employee), he or she will continue to hold the options granted when a consultant. Similarly, if an Eligible Person who is not a consultant becomes a consultant, he or she will continue to hold the options granted to him or her prior to becoming a consultant.
12. The Board has the discretion (subject to applicable stock exchange rules) to extend the expiry dates of options granted to consultants following the termination of a consulting agreement in the same way it can extend the expiry dates of options granted to other option holders following termination of service to the Corporation.

Recommendation

The Corporation is of the view that the renewal of the Option Plan provides the Corporation with the flexibility necessary to attract and maintain the services of senior management and other employees in competition with other companies in the mineral resource industry. A copy of the Option Plan will be available for inspection at the Meeting. A Shareholder may also obtain a copy of the Option Plan by contacting the Corporation at +1 (604) 536-2711. The Board shall also have the authority to amend the Option Plan to reduce the benefits to its participants if in their discretion it is necessary or advisable in order to obtain any necessary regulatory approvals.

Shareholder Approval

The Corporation is asking its Shareholders to vote affirmatively on the following ordinary resolution to adopt and approve the renewal of the Option Plan (the "**Option Plan Resolution**"):

"BE IT RESOLVED THAT, subject to regulatory approval, the renewal of the Option Plan authorizing the directors to grant options on shares totalling up to a maximum of 10% of the Corporation's common shares issued and outstanding from time to time, as at the date of the relevant grant, be and it is hereby approved, together with all options granted thereunder as at the date hereof, and that the Board of Directors be and they are hereby authorized, without further shareholder approval, to carry out the intent of this resolution."

If this resolution is approved by Shareholders, it is expected that the Board will in due course grant further options under the Option Plan as the Board deems fit in light of the overall compensation program and the relative efforts and contributions of the eligible participants under the Option Plan.

THE BOARD OF DIRECTORS RECOMMEND THAT SHAREHOLDERS VOTE FOR THE RENEWAL OF THE OPTION PLAN RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE FOR THE RENEWAL OF THE OPTION PLAN RESOLUTION. THE DISCRETIONARY AUTHORITY GRANTED BY THE ENCLOSED PROXY WILL BE USED BY MANAGEMENT TO APPROVE ANY AMENDMENTS TO THE ABOVE RESOLUTION ACCEPTABLE TO IT.

ITEM 5 - CONTINUATION TO BRITISH COLUMBIA

At the Meeting, the Shareholders will be asked to consider and, if thought fit, pass a shareholders' resolution (the "**Continuation Resolution**") authorizing the Corporation to apply to continue out of the British Virgin Islands and into the Province of British Columbia under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). In addition, the Shareholders will be asked to consider, and if thought fit, approve, with or without amendment, the application for continuation to be filed with the Registrar of Companies for British Columbia (the "**BC Registrar**") required in connection with the Continuation and the articles to be adopted upon continuation. The Continuation will result in the Corporation being subject to the BCBCA if it had been incorporated thereunder and it will affect certain of the rights of Shareholders as they currently exist under the *BVI Business Companies Act 2004* (the "**BVI Act**") and the memorandum of association and articles of association of the Corporation (together, the "**Current Articles**"). **Shareholders should consult their legal advisors regarding implications of the Continuation which may be of particular importance to them.**

Procedure to Effect the Continuation

In order for the Continuation to become effective:

- (a) The Shareholders must authorize the Continuation by way of a resolution of shareholders in accordance with the requirements of Regulation 6 of the Current Articles.
- (b) The Corporation will file an application for continuation with the BC Registrar requesting that the Corporation be continued as if it had been incorporated under the BCBCA.
- (c) Subject to compliance with all the requirements of the BC Registrar and the BCBCA (including, but not limited to, the delivery of all required documents to, and approval of, the BVI Registrar), the BC Registrar will issue to the Corporation a Certificate of Continuation (the "**Certificate of Continuation**").
- (d) The issue of the Certificate of Continuation by the BC Registrar is conclusive evidence that:
 - (i) all the requirements of the BCBCA as to the Continuation have been complied with; and
 - (ii) the Corporation is continued as a company under the BCBCA under the name designated in its

notice of articles on the date specified in the Certificate of Continuation.

- (e) To the extent the BVI Registrar of Corporate Affairs of the British Virgin Islands (the “**BVI Registrar**”) is satisfied that all the requirements of the BVI Act have been complied with to enable the Corporation to continue as a corporation registered under the BCBCA, the BVI Registrar shall issue a certificate of discontinuance, strike the name of the Corporation from the BVI Register of Companies and publish the striking off of the Corporation in the BVI Gazette.

Effect of Continuation

If the Continuation Resolution is approved by the Shareholders at the Meeting, it is expected that the procedures outlined above will begin as soon as practicable thereafter, as determined by the Board in its sole discretion, in order to give effect to the Continuation.

On the effective date of the Continuation, Shareholders will continue to hold one Common Share of the Corporation for each Common Share currently held. The existing share certificates representing Common Shares will not be cancelled. Holders of convertible securities of the Corporation on the effective date of the Continuation will continue to hold convertible securities to purchase, or otherwise acquire an identical number of Common Shares on substantially the same terms. The Common Shares will remain listed on the TSXV.

The principal attributes of the Common Shares of the Corporation following the Continuation will be identical to their current attributes, other than differences in shareholders' rights under the BVI Act and the BCBCA.

The Continuation, if approved, will affect a change in the legal domicile of the Corporation on the effective date thereof to the laws of British Columbia, but the Corporation will not change its business or operations after the effective date of the Continuation.

Immediately following the Continuation, the directors and officers of the Corporation will be as specified under the heading “Item 3 – Election of Directors”. As of the effective date of the Continuation, the election, duties, resignations and removal of the Corporation's directors and officers shall be governed by the BCBCA and the Corporation will no longer be subject to the BVI Act.

By operation of law, upon the Continuation of the Corporation under the BCBCA:

- the BCBCA will apply to the Corporation to the same extent as if it had been incorporated under the BCBCA;
- the Corporation's property prior to the Continuation continues to be the Corporation's property;
- the Corporation continues to be liable for its obligations prior to the Continuation;
- an existing cause of action, claim or liability to prosecution is unaffected;
- a civil, criminal, or administrative action or proceeding pending by or against the Corporation prior to the Continuation may continue to be prosecuted by or against the Corporation; and
- a conviction against, or ruling, order or judgment in favour of or against, the Corporation prior to the Continuation may be enforced by or against the Corporation.

Reason for Continuation

New legislation in the BVI has introduced economic substance requirements applicable to all legal entities carrying on “relevant activities” in the BVI unless they can demonstrate that they are resident for tax purposes in a jurisdiction outside the BVI. As Orsu is a legal entity which is tax resident in the BVI and is carrying on a relevant activity in the BVI within the meaning of this new legislation, Orsu must demonstrate “economic substance” by having its mind and management located in the BVI and by conducting and funding its headquarters operations in the BVI. Orsu does not meet these requirements, and as does not intend to bring itself into compliance by relocating its management and operations to the BVI, it is continuing out of the BVI into BC.

Comparison between British Columbia and BVI Corporate Law

The following is a summary of certain differences between the BCBCA, the statute that will govern the corporate affairs of the Corporation upon the Continuation, and the BVI Act, the statute which currently governs the corporate affairs of the Corporation. As a number of the BCBCA provisions summarized below are capable of being qualified by the articles of a company, it is important that this summary be read in conjunction with the continuance application, notice of articles and articles (together, the “**New Articles**”) proposed to be adopted by the Corporation, which are attached hereto as Appendix A.

In approving the Continuation, the Shareholders will be approving the adoption of the Continuation Application and all matters collateral thereto and will be agreeing to hold securities in a company governed by the BCBCA. This Information Circular summarizes some of the differences that could materially affect the rights and obligations of Shareholders after giving effect to the Continuation. In exercising their vote, Shareholders should consider the distinctions between the BVI Act and the BCBCA, only some of which are outlined below.

Notwithstanding the alteration of shareholders' rights and obligations under the BCBCA and the proposed Continuation, the Corporation will still be bound by the rules and policies of the TSXV and the British Columbia, Alberta and Ontario Securities Commissions, as well as any other applicable securities legislation.

Nothing that follows should be construed as legal advice to any particular shareholder, all of whom are advised to consult their own legal advisors respecting all of the implications of the Continuation. The summary below does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the BCBCA, which may differ from equivalent provisions in the BVI Act. The summary does, however, outline the material differences between the BCBCA and the BVI Act that may affect the rights of the Shareholders.

While shareholders of a BC company are referred to as ‘shareholders’, shareholders of a BVI company are referred to as ‘members’.

Charter Documents

A company incorporated under the BVI Act has charter documents, which are filed with the BVI Registrar, which consist of

- (a) *"memorandum of association"*, which must include the company's name, whether the company is limited by shares or by guarantee or is an unlimited liability company, the address of the company's registered office, the name and address of the first registered agent, the maximum number of shares that the company is authorized to issue (although the company can specify that the number is to be unlimited), the classes of shares, confirmation that the company is a segregated portfolio company (if that is the case), a statement as to whether or not the company is authorized to issue bearer shares, and if so on what terms, and a statement as to whether or not there are any restrictions on the activities of the company; and
- (b) *"articles of association"* which regulate the corporate business and affairs of the company.

Under the BCBCA, a company has a "Notice of Articles", which sets forth the name of the company and the amount and type of authorized capital, and "articles" which govern the management of the company. The Notice of Articles is filed with the BC Registrar and the articles are maintained at the company's registered and records office.

Currently the Corporation has 100,000,000,000 common shares without par value authorized. If Shareholders approve the Continuation under the BCBCA, the Corporation will have authorized shares consisting of an unlimited number of common shares without par value. The Continuation under the BCBCA will not result in any substantive changes to the constitution, powers or management of the Corporation, except as described below.

Shareholder Voting Rights

Under the BVI Act, when a vote is taken at a meeting of members, each member is entitled to vote the number of votes attaching to the total number of shares held by such member. The Articles currently provide for one vote per share.

Under the BCBCA, holders of common shares are entitled to one vote per common share, either in person or by proxy, on each matter to be voted on at shareholder meetings. Unless the articles otherwise provide, voting at a meeting of shareholders shall be by a show of hands except where a ballot is demanded, either before or on the declaration of the result of any vote by show of hands.

Under the BVI Act, the quorum for a meeting of members for the purpose of a resolution of members is that fixed by the

memorandum and articles of association of a company; where no quorum is so fixed, a meeting of members is properly constituted for all purposes if at the commencement of the meeting there are present in person or by proxy members entitled to exercise at least fifty per cent. of the votes. The Current Articles provide that quorum is two persons present in person or by proxy representing not less than 0.5 per cent. of the votes of the shares entitled to vote at the meeting.

Under the BCBCA, unless the articles otherwise provide, two shareholders entitled to vote at a meeting of shareholders, whether present in person or by proxy, constitute a quorum. The New Articles provides that a quorum for the transaction of business at any meeting of shareholders is shareholders who, in the aggregate, hold at least 5% of the shares entitled to vote at the meeting, irrespective of the number of persons present at the meeting.

Under the BVI Act, a company's directors may convene, as may such person or persons as may be authorized by the memorandum and articles of association to call, a meeting. The Current Articles provide that directors convening a meeting of shareholders must give not less than 21 days' notice to all shareholders whose names appear on the register of members of the Corporation and to the other directors.

Under the BCBCA, a meeting of shareholders may be called by the directors or by a requisition (as described below under "Requisition of Meetings"). Under the BCBCA, notice of all meetings of shareholders of a company must be sent not less than 21 days and not more than 2 months before the meeting to each shareholder entitled to vote at the meeting, to each director and to the auditor of the company. Under the New Articles, the directors may specify in a notice calling a meeting of shareholders a time preceding any meeting or adjourned meeting of shareholders before which time proxies to be used at such meeting must be deposited.

Under the BVI Act, in addition to the election of directors, the approval of the members of a company is required for the following matters: (i) a disposition of more than 50 per cent. in value of the company's assets otherwise than in the regular course of its business; (ii) mergers; (iii) approval or ratification of certain agreements or transactions where a director or liquidator has a conflict of interest; and (iv) the rescission of articles of dissolution in the voluntary winding-up of a company.

Under the Current Articles, a resolution may be passed by a majority of the votes of the shares entitled to vote thereon which were present at the meeting and were voted and not abstained. A resolution may also be consented to in writing by a majority of the votes of shares entitled to vote thereon subject to certain provisions.

Under the BCBCA and the New Articles, the vote of shareholders required to pass a resolution is typically a majority or two-thirds of the votes cast on the resolution, depending upon the action being voted upon. A 'special resolution' is a resolution passed by a majority of not less than two-thirds of the votes cast by the shareholders who voted in respect of that resolution at a meeting, or signed by all the shareholders entitled to vote on that resolution. Matters requiring approval by special resolution include removal of a director, approval of an amalgamation agreement, authorizing continuation to another jurisdiction, adopting an arrangement, authorizing the sale, lease or exchange of all or substantially all of the company's undertaking, authorizing the voluntary liquidation and dissolution of the company, and authorizing a reduction of stated capital. Matters requiring approval by a majority of the votes cast include election of directors, appointment of auditors and most amendments to the New Articles.

Under the BVI Act, subject to any limitations in the memorandum or articles of a company, any action that may be taken by the members at a meeting may also be taken by a resolution of members consented to in writing without the need for any notice. Subject to a company's memorandum or articles, such a written resolution may be validly passed, if consented to in writing by members holding shares to which are attached a majority of the votes attaching to all outstanding shares, unless a different percentage is specified in the company's memorandum and articles of association. The Current Articles provide that such a written resolution may be validly passed provided that if any such resolution is adopted otherwise than by the unanimous written consent of all members, a copy of such resolution shall forthwith be sent to all members not consenting to such resolution. The consent may be in the form of counterparts in like form with each counterpart being signed by one or more members.

Under the BCBCA, a resolution in writing signed by the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders. An ordinary resolution requires the written consent of shareholders holding shares carrying two-thirds of the votes at a general meeting but must have been submitted to all shareholders entitled to vote on the resolution. A special resolution requires the written consent of all those shareholders.

Proposals of Shareholders

The BVI Act does not include a right for shareholders to submit proposals.

Under the BCBCA, a registered holder of shares entitled to vote at an annual meeting of shareholders, or a beneficial owner of shares, may submit to the Corporation notice of any proposal to be raised at the meeting. If the Corporation solicits proxies in connection with the meeting, the Corporation shall set out the proposal in the management information circular for the meeting provided that the proposal was submitted at least 3 months before the anniversary of the date of the previous annual

meeting. The Board need not process a proposal if, among other things, substantially the same proposal was submitted in the last five years and did not receive sufficient support, or the right to submit a proposal is being used to enforce a personal claim or redress a personal grievance. A proposal must be signed by registered holders and beneficial owners that in the aggregate constitute at least 1/100 of the issued voting shares of the Corporation.

Requisition of Meetings

Under the BVI Act, shareholders meetings must be convened by the directors on the written request of shareholders holding more than 30% of the outstanding voting shares, or such lesser percentage specified in the memorandum or articles of association. Not less than 7 days' notice of general meetings must be given. Subject to such company's memorandum and articles of association, a meeting of the shareholders of the company may be held at such time and in such place, within or outside the BVI, as such shareholders convening the meeting consider appropriate. A BVI Court may order a meeting of shareholders to be held and to be conducted in such manner as the BVI Court orders if it is of the opinion that:

- (a) it is impracticable to call or conduct a meeting of the shareholders of a company in the manner specified in the BVI Act or in the memorandum and articles of association of the company; or
- (b) it is in the interests of the shareholders of the company that a meeting of shareholders be held.

An application for the order described above may be made by a shareholder or director of the company. The BVI Court may make an order on such terms, including as to costs of conducting the meeting and as to the provision of security for those costs, as it considers appropriate.

The BCBCA has substantially the same requirements; however, the BCBCA provides that one or more shareholders of a company holding at least 1/20 of the issued voting shares of the company may give notice to the directors requiring them to call and hold a meeting of shareholders. On receiving the requisition, the directors must call a meeting of shareholders to transact the business stated in the requisition, unless the directors have called a meeting of shareholders and given notice thereof, or the business of the meeting as stated in the requisition covers matters that are exempted by the BCBCA, such as where it clearly appears that the business stated in the requisition does not relate in a significant way to the business or affairs of the company.

Form of Proxy and Information Circular for Reporting Companies

BVI companies must comply with the BVI Act requirements relating to notice of meetings and proxies. Subject to a requirement in the memorandum or articles of association of a company to give longer notice, a person or persons convening a meeting of the shareholders of a company shall give not less than seven days' notice of the meeting to those persons whose names, on the date the notice is given, appear as shareholders in the register of shareholders and are entitled to vote at the meeting. A shareholder may be represented at a meeting of shareholders by a proxy who may speak and vote on behalf of the shareholder.

Any action that may be taken by the shareholders in a meeting may also be taken by a unanimous resolution of shareholders consented to in writing without the need for any notice.

The requirement for reporting issuers to provide a notice of a general meeting, a form of proxy and an information circular containing prescribed information regarding the matters to be dealt with at a general meeting is governed by securities legislation and is not governed by the BCBCA.

Place of Meetings

The BVI Act does not contain any requirements in respect to the place of shareholder meetings.

The BCBCA provides that meetings of shareholders must be held British Columbia unless the company's articles provide otherwise. The New Articles allow the directors to specify a location for meetings of shareholders either in or outside of British Columbia.

Inspection Rights

Under the BVI Act, a member of a company may request in writing to inspect during normal business hours the register of members of the company or the books, records, minutes and consents kept by the company and to make copies or extracts therefrom. The relevant company may by resolution of directors determine that it is not in the best interest of the company or of any other member of the company to comply with the request and the company may refuse the request. Upon refusal of the request, the member may apply to the BVI Court for an order allowing inspection.

Under the BCBCA, a shareholder of a company has the right to inspect and request copies of the following during the usual business hours of the company: (i) the notice of articles and articles of the company, including any amendments, (ii) minutes of meetings and resolutions of shareholders, (iii) a register of directors in which are set out the names and addresses (while directors) of all persons who are or have been directors of the Company, (iv) a central securities register, (v) copies of the financial statements and reports of the company's auditors and other financial information required by the BCBCA, and (vi) disclosures made by directors and officers of their interests in material contracts or proposed material contracts with the company. A shareholder has the right to obtain, free of charge, one copy of the notice of articles and articles of a company, including amendments. A person may request that the company to furnish a shareholder list to the applicant upon payment of a reasonable fee and delivery of a statutory declaration as to the name and address of the applicant and to the effect that such list will not be used except in connection with an effort to influence voting by shareholders of the company, to acquire or sell securities of the company, effect an amalgamation involving or a reorganization of the company, call a meeting, or identify the shareholders of an unlimited liability company.

In addition, under the BCBCA, shareholders of a company that hold in aggregate at least 1/5 of the issued shares of the company may apply to the Supreme Court of British Columbia ('BC Court') for an order directing that an investigation be made of a company.

Pre-emptive Rights

Under the BVI Act, there are statutory pre-emptive rights with respect to the issuance of shares. The rights only apply to a company if the company expressly provides in its memorandum or articles of association that such rights are applicable to it but not otherwise. The Current Articles provide that the pre-emptive rights do not apply.

Under the BCBCA and the New Articles, there are no pre-emptive rights.

Dividends and Repurchases of Shares

Under the BVI Act, subject to any limitations or provisions to the contrary in the memorandum and articles of a company, a company may, by resolution of directors, declare and pay dividends in money, shares or other property. Dividends may only be declared if the directors are satisfied that the company is able to satisfy the solvency test set out in the BVI Act.

Under the BCBCA, a company may declare and pay a dividend by issuing shares or warrants of the company and, subject to the solvency test described in the following sentence, a company may pay a dividend in money or property. A company is able to declare and pay a dividend unless there are reasonable grounds for believing that the company is or, after the payment would be, unable to pay its liabilities as they become due.

Under the BVI Act, a company may only redeem its shares if the company is able to satisfy the solvency test set out in the BVI Act.

The BCBCA permits a company, if authorized by its articles, to purchase or otherwise acquire any of its issued shares or to redeem shares in accordance with the redemption rights attached to those shares, unless there are reasonable grounds for believing that the company is or, after the payment would be, unable to pay its liabilities as they become due.

Amendments to the Charter Documents of the Corporation

The shareholders of a company incorporated under the BVI Act may, by resolution, amend the memorandum or articles of association of the company. The memorandum of a company may include a provision:

- (a) that specified provisions of the memorandum or articles of association may not be amended;
- (b) that a resolution passed by a specified majority of shareholders, greater than 50%, is required to amend the memorandum or articles of association or specified provisions of the memorandum or articles of association; and
- (c) that the memorandum or articles of association, or specified provisions of the memorandum or articles of association, may be amended only if certain specified conditions are met.

An amendment to the memorandum or articles of association has effect from the date that the notice of amendment, or restated memorandum or articles incorporating the amendment, is registered by the BVI Registrar or from such other date as may be ordered by the BVI Court.

Any substantive change to the Notice of Articles or Articles of a company under the BCBCA, such as an alteration of the restrictions, if any, on the business carried on by the company, or an alteration of the special rights and restrictions attached to issued shares requires a resolution passed by the majority of votes specified by the Articles of the company or, if the

Articles do not contain such a provision, a special resolution passed by two-thirds of the votes cast on the resolution. The New Articles provide that the foregoing changes may be approved by the shareholders by ordinary resolution. The New Articles permit the directors to approve a name change or a consolidation or subdivision of the shares of the Corporation.

Reorganizations, Arrangements, Extraordinary Transactions

Under the BVI Act, the approval of the members of a British Virgin Islands company is required for (i) a disposition of more than 50 per cent. of the company's assets other than in the regular course of its business; (ii) mergers; (iii) subject to the company's memorandum and articles of association, a winding-up of the company; and (iv) the rescission of articles of dissolution in the voluntary winding-up of a company. The vote of members required to pass resolutions approving such matters is a simple majority of votes cast at a meeting (or such other percentage vote as is specified in the articles) or an absolute majority of the votes attaching to all of the issued and outstanding shares, if such resolution is consented to in writing (or such other percentage vote as is specified in the articles).

The BCBCA provides that certain extraordinary corporate actions, such as certain amalgamations, any continuation, sales, leases or exchanges of all or substantially all of the property of a company other than in the ordinary course of business, liquidations, dissolutions and arrangements, are to be approved by special resolution. In certain cases, a special resolution to approve an extraordinary corporate action is also required to be approved separately by the holders of a class or a series of shares.

Matters such as take-over bids, issuer bids, going-private transactions and transactions with directors, officers, significant shareholders and other related parties to which the Corporation is a party are subject to regulation by Canadian provincial securities legislation and administrative policies and rules of Canadian securities administrators. Such legislation and administrative policies and rules may impose shareholder approval requirements in addition to the foregoing.

Return of Capital on Winding-Up, Liquidation or Dissolution of the Corporation

Under the BVI Act, members are entitled to the surplus assets of a company on liquidation, subject to the rights attached to those shares as set out in the memorandum. Under the BCBCA and the New Articles, the holders of common shares have the right to receive the remaining property of the Corporation on dissolution.

Directors

The BVI Act provides that a company must have at least one director. The BVI Act does not contain any residency requirements for directors.

The BCBCA provides that every company must have at least one director, except that a public company must have at least 3 directors. The BCBCA does not contain any residency requirements for directors.

Advance Notice Provisions within Articles.

Upon Continuation, the Corporation intends to include certain "Advance Notice" provisions within the New Articles that will (i) allow the Corporation to facilitate an orderly and efficient annual general or, where the need arises, special meeting process; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

Term of the Board of Directors

The BVI Act does not require that the directors elected at a meeting of members be elected for different terms. The Current Articles provide that the directors shall be elected in accordance with any voting policy of the Corporation and for such term as the shareholders may determine, including on an annual basis.

The BCBCA does not specify the term for which directors may be elected, but the New Articles provide for the directors to be elected annually.

Removal of Directors

Under the BVI Act, subject to any limitation in a company's memorandum and articles of association, a director may be removed from office by a resolution of members or by a resolution of directors. The Current Articles provide for removal by a resolution of members.

Under the BCBCA, unless the articles provide for a different majority or a different method, the shareholders of a company

may by special resolution at an annual or special meeting remove any director or directors from office. Under the New Articles, a special resolution is required to remove a director between annual meetings.

Vacancies on the Board of Directors

Under the BVI Act, subject to any limitations in a company's memorandum and articles of association, a vacancy among the directors may be filled by a resolution of members or by a majority of the remaining directors. The current Articles provide that a vacancy may be filled by appointment of the board. The directors may also appoint additional persons to the board so long as the total number of directors does not exceed the maximum number fixed by the current Articles.

Under the BCBCA, subject to the articles, the remaining directors may fill a casual vacancy among the directors. A vacancy resulting from the removal of a director is to be filled by the shareholders. If the articles so provide, the directors may appoint additional directors, subject to the limits in the BCBCA. The New Articles permit directors to fill a casual vacancy and to appoint additional directors, subject to the limits in the BCBCA.

Fiduciary Duties of Directors

Directors of companies incorporated or organized under the BCBCA and of BVI companies have fiduciary obligations to the company. Pursuant to these fiduciary obligations, the directors must act in accordance with the so-called duties of 'due care' and 'loyalty'.

The BVI Act provides that every director of a company incorporated under the BVI Act in performing his functions, shall act honestly and in good faith with a view to the best interests of the company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, the BVI Act provides that no provision in the memorandum and articles of association of a company incorporated under the BVI Act or in any agreement entered into by the company relieves a director of the company from the duty to act in accordance with the memorandum and articles of association or from any personal liability arising from his management of the business and affairs of the company. Common law duties also apply to directors of British Virgin Islands companies.

The BCBCA provides that every director and officer of a company governed by the BCBCA, when exercising the powers and performing the functions of the role, shall act honestly and in good faith with a view to the best interests of the company, and exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances. Every director and officer of a company governed by the BCBCA must comply with the provisions of the BCBCA, the regulations thereunder, and the articles. No provision in a contract or the articles relieves a director or officer from the duty to act in accordance with the BCBCA or the regulations thereunder, or liability that would otherwise attach in respect of any negligence, default, breach of duty or breach of trust of which the director or officer may be guilty in relation to the company.

Conflict of Interest of Directors and Officers

Under the BVI Act, a transaction entered into by a company in respect of which a director is interested is voidable by the company unless the interest was disclosed to the board prior to the company entering into the transaction, or the transaction is approved or ratified by the members, or the company received fair value for the transaction.

Subject to certain specified exceptions, the BCBCA restricts interested directors from voting on any material transactions in which such director has a material interest. Interested directors and officers must disclose in writing to the company or request to have entered in the minutes of meetings of directors the nature and extent of their interest.

Indemnification of Directors, Officers and Others

Under the BVI Act, and subject to subsection (2) of Section 132 of the BVI Act (which makes it a condition that the relevant person must inter alia have acted honestly and in good faith), a company may indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceeding any person who: (i) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director of the company; or (ii) is or was, at the request of the company, serving as a director of, or in any other capacity is or was acting for, another company or a partnership, joint venture, trust or other enterprise.

Subsection (1) of Section 132 of the BVI Act only applies to a person referred to in that subsection if the person acted honestly and in good faith with a view to the best interests of the company and, in the case of criminal proceedings, the person has no reasonable cause to believe that his conduct was unlawful. The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a nolle prosequi does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the company or that the person had reasonable cause to believe that his conduct was unlawful. If a person referred to in subsection (1) of Section 132 of the BVI Act has been

successful in defence of any proceedings referred to in the said subsection (1), the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.

The BCBCA permits indemnification of a director or officer, a former director or officer or a person who acts or acted as a director or officer of another corporation at the company's request or while that corporation was an affiliate of the company, and his or her heirs and legal representatives, against all costs, charges and expenses in respect of, and any judgment, penalty, fine or amount paid in settlement of, any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of the company or corporation. Indemnification is prohibited if the person did not act honestly and in good faith with a view to the best interests of the company, or in the case of a criminal or administrative action, he or she did not have reasonable grounds for believing that his or her conduct was lawful.

Director Liability

The BVI Act does not permit the limitation of a director's liability for breach of fiduciary obligations to the company of which he is a director, whether through the articles or otherwise.

Under the BCBCA, directors who vote for or consent to a resolution authorizing the issue of a share of a company for consideration other than money are jointly and severally liable to compensate the company or a shareholder or beneficial owner of shares, for any losses sustained as a result by the company, shareholder or beneficial owner. A director is not liable pursuant to the foregoing if he proves he did not know and could not reasonably have known that the value of the consideration was less than the issue price set for the share. In addition, directors who vote or consent to certain resolutions involving payments or distributions by the company contrary to the BCBCA are jointly and severally liable to restore to the company any amount paid or distributed and not otherwise recovered by the company. The BCBCA does not otherwise permit the substantive limitation of a director's liability for breach of fiduciary obligations to the company, whether through the articles or otherwise.

Issuance of Securities

The BVI Act states that subject to the BVI Act and to the memorandum and articles of association of the company, shares in a company may be issued, and options to acquire shares in a company granted, at such times, to such persons, for such consideration and on such terms as the directors may determine.

Under the BCBCA, shares of a company may be issued at the times and to the persons that the directors determine, subject to the notice of articles and articles of the company and to the provisions of the BCBCA.

Transferability of Shares

Subject to any limitations or provisions to the contrary in its memorandum or articles, registered shares of a company incorporated under the BVI Act may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee. In the absence of a written instrument of transfer, the directors may accept such evidence of a transfer of shares as they consider appropriate.

Unless the articles of a company contain a restriction on the transfer of shares, under the BCBCA, shares are presumed to be freely transferable unless marked otherwise.

Dissent and Appraisal Rights

Under the BVI Act, a member of a company may dissent from certain transactions and receive payment upon redemption of his shares. Members may dissent from the following actions:

- (a) a merger, if the company is a constituent company (being an existing company that is participating in an arrangement or consolidation with one or more other existing companies) unless the company is the surviving company and the member continues to hold the same or similar shares;
- (b) consolidation, if the company is a constituent company;
- (c) the sale, transfer, lease, exchange or other disposition of more than 50 per cent. in value of the assets or business of the company if not made in its usual or regular course of business (other than a disposition pursuant to an order of a court having jurisdiction in the matter, a disposition for money on terms requiring all or substantially all net proceeds to be distributed to the members in accordance with their respective interests within one year after the date of disposition, and certain transfers of assets of the company in trust for the benefit of the company, its members or creditors or any other person having a direct or indirect interest in the company);

- (d) an arrangement, if permitted by the BVI Court; and
- (e) a compulsory redemption of shares by a company (as described below under the subheading 'Compulsory Acquisition').

Section 179 of the BVI Act sets forth a detailed procedure for exercising the right to dissent and for determination of a fair value for the dissenter's shares.

Generally, under the BVI Act, where a member has given notice of his election to dissent the company must make a written offer to each dissenting member to purchase his shares at a specified price that the company determines to be their fair value; and if within thirty days immediately following the date on which the offer is made, the company making the offer and the dissenting member agrees upon the price to be paid for the shares, the company shall pay to the member the amount in money upon the surrender of the certificates representing his shares. If the company and dissenting member fail, within the aforementioned period of thirty days to agree on the price to be paid for the shares owned by the member, within twenty days immediately following the date on which the period of thirty days expires, the following applies:

- (a) the company and the dissenting member shall each designate an appraiser;
- (b) the two designated appraisers together shall designate a third appraiser;
- (c) the three appraisers shall fix the value of the shares owned by the dissenting member as of the close of business on the day prior to the date on which the vote of the members authorizing the action was taken or the date on which written consent of members without a meeting was obtained, excluding any appreciation or depreciation directly or indirectly by the action or its proposal, and that value is binding on the company and the dissenting member for all purposes; and
- (d) the company shall pay to the member the amount in money upon the surrender by him of the certificates representing his shares.

The BCBCA provides that shareholders may, in connection with certain matters, exercise a right of dissent and require the company to purchase the shares held by shareholders at the fair value of such shares. The dissent right is applicable where the company proposes to:

- (a) alter its articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) adopt an amalgamation agreement;
- (c) amalgamate under Division 4 of Part 9 of the BCBCA (an amalgamation into a foreign jurisdiction);
- (d) approve an arrangement, the terms of which arrangement permit dissent;
- (e) sell, lease or dispose of all or substantially all of its undertaking; or
- (f) continue into a jurisdiction other than British Columbia.

A shareholder may also be entitled to elect to receive the appraised value of his or her shares in connection with certain compulsory acquisitions, as described below under the heading 'Compulsory Acquisition'.

Compulsory Acquisition

Under the BCBCA, where over 90 per cent. of the shares of a corporation (other than shares held at the date of the bid by or on behalf of the bidder or an affiliate or nominee of the bidder) are acquired pursuant to a take-over bid or issuer bid, the bidder, by complying with the provisions of the BCBCA, can force the non-tendering shareholders to either sell their shares on the same terms as the tendering shareholders, or to demand payment from the corporation of the fair value of their securities in exchange for the surrender of their securities to the corporation.

Under the BVI Act, subject to any limitations in a company's memorandum and articles of association, members holding 90 per cent. of the votes of the outstanding shares entitled to vote, and members holding 90 per cent. of the votes of the outstanding shares of each class of shares entitled to vote may give a written instruction to the company directing the company to redeem the shares held by the remaining members. Upon receipt of such written instruction, the company shall redeem the shares specified in the written instruction, irrespective of whether or not the shares are by their terms redeemable. The company shall give written notice to each member whose shares are to be redeemed stating the redemption price and the

manner in which the redemption is to be effected. A member whose shares are to be so redeemed is entitled to dissent from such redemption, and to be paid the fair value of his shares.

Oppression Remedies

A shareholder of a company incorporated under the BVI Act who considers that the affairs of the company have been, are being or are likely to be, conducted in a manner that is, or any acts of the company have been, or are, likely to be oppressive, unfairly discriminatory, or unfairly prejudicial to him, may apply to the court for an order and, if the court considers that it is just and equitable to do so, it may make such order as it thinks fit, including, without limitation, one or more of the following orders:

- (a) in the case of a shareholder, requiring the company or any other person to acquire the shareholder's shares;
- (b) requiring the company or any other person to pay compensation to the shareholder;
- (c) regulating the future conduct of the company's affairs;
- (d) amending the memorandum or articles of association of the company;
- (e) appointing a receiver of the company;
- (f) appointing a liquidator of the company under section 159(1) of the BVI Insolvency Act;
- (g) directing the rectification of the records of the company; and
- (h) setting aside any decision made or action taken by the company or its directors in breach of the BVI Act or the company's memorandum and articles of association.

Under the BCBCA, a shareholder of a company or any other person whom the BC Court considers to be an appropriate person to seek an oppression remedy, may apply to the BC Court for an order to remedy or bring to an end the matters complained of on the ground that the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more shareholders, including the applicant, or that some act of the company has been done or threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

Shareholder Derivative Actions

A BVI Court may, on the application of a shareholder of a company, grant leave to that shareholder to:

- (a) bring proceedings in the name and on behalf of that company; or
- (b) intervene in proceedings to which the company is a party for the purpose of continuing, defending or discontinuing the proceedings on behalf of the company.

Under the BCBCA, a shareholder or director of a company or any other person whom the BC Court considers to be an appropriate person to make such an application, may apply to the BC Court for leave to prosecute a legal proceeding in the name and on behalf of a company to enforce a right, duty or obligation owed to the company that could be enforced by the company itself, or to obtain damages for any breach of such right, duty or obligation referred to in the foregoing. With leave of the BC Court, an applicant may also, in the name and on behalf of a company, defend a legal proceeding brought against the company.

The BC Court may grant leave to the applicant if:

- the applicant has made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding;
- notice of the application for leave has been given to the company and to any other person the BC Court may order;
- the applicant is acting in good faith; and
- it appears to the BC Court that it is in the best interests of the company for the legal proceeding to be prosecuted or

defended.

Giving Financial Assistance

Subject to the BVI Act, any other enactment in the BVI and the company's memorandum and articles of association, a company has, irrespective of corporate benefit full capacity to carry on or undertake any business or activity, do any act or enter into any transaction including:

- (a) unless it is a company limited by guarantee or an unlimited company that in either case is not authorized to issue shares:
 - (i) issue and cancel shares and hold treasury shares,
 - (ii) grant options over unissued shares in the company and treasury shares,
 - (iii) issue securities that are convertible into shares, and
 - (iv) give financial assistance to any person in connection with the acquisition of its own shares;
- (b) issue debt obligations of every kind and grant options, warrants and rights to acquire debt obligations;
- (c) guarantee a liability or obligation of any person and secure any of its obligations by mortgage, pledge or other charge, of any of its assets for that purpose; and
- (d) protect the assets of the company for the benefit of the company, its creditors and its shareholder and, at the discretion of the directors, for any person having a direct or indirect interest in the company.

The BCBCA does not limit the circumstances in which a company can give financial assistance; however, it does require the company to disclose material financial assistance given to certain affiliated persons or to be used to purchase shares issued by the company.

Shareholder Approval

The Corporation is asking its Shareholders to vote affirmatively on the following ordinary resolution to adopt and approve the continuation resolution (the "**Continuation Resolution**"):

"BE IT RESOLVED THAT:

- (a) the Corporation continue out of the British Virgin Islands (the "**BVI**") as a company incorporated under the laws of British Columbia, Canada and discontinue as a company incorporated under the BVI *Business Companies Act 2004* (as amended) (the "**Act**") (together, the "**Continuation**");
- (b) the directors of the Corporation be and are hereby authorised to take all further action on behalf of the Corporation to effect, or in connection with, the Continuation as they may deem appropriate (including but not limited to retaining legal counsel qualified to practise, or hiring other professional persons cognizant of the requirements of, the laws of British Columbia, Canada or the BVI, liaising with any chargees in respect of security interests over property which are registered with the BVI Registrar and executing any one or more notices, declarations, agreements, documents, forms or deeds, whether under hand or by affixing the Corporation's common seal thereto and witnessing the same or in any other manner as a deed);
- (c) that the registered agent of the Corporation be and is hereby authorised to take all further action on behalf of the Corporation to effect, or in connection with, the Continuation as it may deem appropriate (including but not limited to making all such filings with the BVI Registrar of Corporate Affairs as may be permitted by BVI law);
- (d) upon the Continuation being effective, the current directors of the Corporation shall remain as the directors of the Corporation;
- (e) pursuant to Section 303(2) of the Business Corporations Act (British Columbia) (the "**BCBCA**"), any officer or director of the Corporation is authorized to apply to the British Columbia Registrar of Companies for a Certificate of Continuation under the BCBCA;

- (f) The Continuation Application, Notice of Articles, and Articles, including any changes required to reflect the information that will apply to the Corporation upon its recognition under the BCBCA, substantially in the forms attached to the management information circular dated May 22, 2020 are approved, subject to such changes as may be approved by the directors of the Corporation or required by the TSX Venture Exchange, and any director of the Corporation is authorized to execute the Articles in accordance with section 302(1)(c) of the BCBCA;
- (g) notwithstanding that this special resolution has been duly passed by the Shareholders, the directors of the Corporation are authorized, at their discretion, to determine, at any time, to proceed or not to proceed with the Continuation and to abandon this resolution at any time prior to the implementation of the Continuation without further approval of the Shareholders and in such case, this resolution approving the Continuation shall be deemed to have been rescinded; and
- (h) any one director or any one officer of the Corporation is hereby authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or to cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, such other documents and instruments, and to do or to cause to be done, such other acts and things as in the opinion of such one director or one officer of the Corporation may be necessary or desirable in order to carry out the intent of this resolution."

THE BOARD OF DIRECTORS RECOMMEND THAT SHAREHOLDERS VOTE FOR THE CONTINUATION RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY INTEND TO VOTE FOR THE CONTINUATION RESOLUTION. THE DISCRETIONARY AUTHORITY GRANTED BY THE ENCLOSED PROXY WILL BE USED BY MANAGEMENT TO APPROVE ANY AMENDMENTS TO THE ABOVE RESOLUTION ACCEPTABLE TO IT.

EXECUTIVE AND DIRECTOR COMPENSATION

The following information is provided as required under Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*. All amounts in this form are expressed in U.S. dollars, unless otherwise indicated.

Named Executive Officers

“Named Executive Officers” and “NEOs” means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5), for that financial year;
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year.

During the most recent fiscal year ended December 31, 2019, the Corporation had four (4) NEOs.

Table of compensation excluding stock options and compensation securities							
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 (\$)
Dr. Sergey V. Kurzin <i>Executive Chairman</i>	2019	69,524	-	-	-	-	69,524
	2018	73,610	-	-	-	-	73,610
Sergei Stefanovich , <i>Director and Managing Director</i>	2019	69,609	-	-	-	-	69,609
	2018	72,842	-	-	-	-	72,842
Golden Oak Corporate Services Ltd. , <i>Chief Financial Officer and Corporate Secretary</i> ⁽¹⁾	2019	112,792	-	-	-	-	112,792
	2018	116,282	-	-	-	-	116,282
Alexander Yakubchuk , <i>Director of Exploration</i>	2019	172,000	-	-	-	-	172,000
	2018	72,000	-	-	-	-	72,000
Mark Corra , <i>Director</i>	2019	15,000	-	-	-	-	15,000
	2018	15,000	-	-	-	-	15,000
David Rhodes , <i>Director</i>	2019	15,000	-	-	-	-	15,000
		15,000	-	-	-	-	15,000
Vladimir Pakhomov , <i>Director</i>	2019	15,000	-	-	-	-	15,000
	2018	15,000	-	-	-	-	15,000

Notes:

- (1) Consulting fees are paid to Golden Oak Corporate Services Ltd., which provide Dan O'Brien's and Doris Meyer's services to the Corporation as Chief Financial Officer and Corporate Secretary respectively.

External Management Companies

None of the NEOs or directors of the Corporation have been retained or employed by an external management company which has entered into an understanding, arrangement or agreement with the Corporation to provide management services to the Corporation, directly or indirectly.

Stock Options and Other Compensation Securities

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (CDN\$)	Closing price of security or underlying on date of grant (CDN\$)	Closing price of security or underlying security at year end (CDN\$)	Expiry date
Dr. Sergey V. Kurzin <i>Executive Chairman</i>	Stock Options	165,000 ⁽¹⁾ 0.39% ⁽²⁾	Jan 3, 2020	\$0.265	\$0.265	\$0.20	Jan 3, 2025
Sergei Stefanovich , <i>Director and Managing Director</i>	Stock Options	165,000 ⁽¹⁾ 0.39% ⁽²⁾	Jan 3, 2020	\$0.265	\$0.265	\$0.20	Jan 3, 2025
Golden Oak Corporate Services Ltd. , <i>Chief Financial</i>	Stock Options	129,000 ⁽¹⁾ 0.31% ⁽²⁾	Jan 3, 2020	\$0.265	\$0.265	\$0.20	Jan 3, 2025

<i>Officer and Corporate Secretary</i> ⁽²⁾							
Alexander Yakubchuk, <i>Director of Exploration</i>	Stock Options	85,000 ⁽¹⁾ 0.20% ⁽²⁾	Jan 3, 2020	\$0.265	\$0.265	\$0.20	Jan 3, 2025
Mark Corra, <i>Director</i>	Stock Options	40,000 ⁽¹⁾ 0.09% ⁽²⁾	Jan 3, 2020	\$0.265	\$0.265	\$0.20	Jan 3, 2025
David Rhodes, <i>Director</i>	Stock Options	40,000 ⁽¹⁾ 0.09% ⁽²⁾	Jan 3, 2020	\$0.265	\$0.265	\$0.20	Jan 3, 2025
Vladimir Pakhomov, <i>Director</i>	Stock Options	40,000 ⁽¹⁾ 0.09% ⁽²⁾	Jan 3, 2020	\$0.265	\$0.265	\$0.20	Jan 3, 2025

Notes:

- (1) Each stock option entitles the holder to purchase one common share of the Corporation, each stock option fully vests on date of grant.
- (2) No stock options were granted in the year ended December 31, 2019. This figure represents the number of underlying common shares issuable upon exercise of the stock option as a percentage of the total issued and outstanding common shares of the Corporation as at January 3, 2020, being 42,147,544 common shares on that date.

No compensation securities were re-priced, cancelled and replaced, extended or otherwise materially modified during the Corporation's most recently completed financial year ended December 31, 2019.

No compensation securities were exercised by any NEO or director of the Corporation during the most recently completed financial year ended December 31, 2019.

As of December 31, 2019, the total compensation securities held by NEO's and directors of the Corporation, including the stock options granted on January 3, 2020, were as follows:

Name and position	Type of compensation security	Total number of compensation securities	Total number of common share underlying compensation securities
Dr. Sergey V. Kurzin <i>Executive Chairman</i>	Stock Options	715,000	715,000
Sergei Stefanovich, <i>Director and Managing Director</i>	Stock Options	715,000	715,000
Dan O'Brien, <i>Chief Financial Officer</i>	Stock Options	150,000 ⁽¹⁾	150,000
Doris Meyer, <i>Corporate Secretary</i>	Stock Options	250,000 ⁽¹⁾	250,000
Golden Oak Corporate Services Ltd., <i>Chief Financial Officer and Corporate Secretary</i>	Stock Options	129,000 ⁽¹⁾	129,000
Alexander Yakubchuk, <i>Director of Exploration</i>	Stock Options	635,000	635,000
Mark Corra, <i>Director</i>	Stock Options	290,000	290,000
David Rhodes, <i>Director</i>	Stock Options	190,000	190,000
Vladimir Pakhomov, <i>Director</i>	Stock Options	190,000	190,000

Notes:

- (1) The Stock Options held by Mr. O'Brien and Ms. Meyer are positions held personally before issuances of stock options were issued to Golden Oak Corporate Services Ltd.

Stock option plans and other incentive plans

As described in Item 4, the Corporation has in place the Option Plan pursuant to which the Corporation may grant incentive stock options to directors, officers, employees, and consultants of the Corporation or any of its affiliates (“**Eligible Persons**”). In accordance with the rules and policies defined in Item: 4, shareholders must each year approve the Option Plan – Item: 4 - Approval of the Renewal of the Stock Option Plan.

The Board is of the view that it is in the best interests of the Corporation to approve the renewal of the Option Plan, which will enable the Board to grant options to Eligible Persons as a means of rewarding positive performance and providing incentive to attract and retain personnel to effectively manage the affairs of the Corporation.

The Corporation does not have any other compensation security plans.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

All NEOs have consulting agreements with the Corporation as at December 31, 2019. Pursuant to the terms of each such agreement, each NEO’s appointment is to continue for an indefinite period. The Corporation may terminate the agreements without “cause” at any time upon 10 days written notice of termination specifying the date of such termination. If the NEO is terminated without “cause” the Corporation shall pay the NEO, within 30 days of such termination an amount equal to six months of the service fee in effect at the time and payment of six months health insurance premiums in the case of each of Dr. Kurzin and Mr. Stefanovich.

With effect from March 1, 2017, Dr. Alexander Yakubchuk has been engaged as the Director of Exploration at the annual service fee (the “**Service Fee**”) of US\$72,000. Dr. Yakubchuk will be entitled to three months Service fee in the event of termination without cause. Providing Dr. Yakubchuk continues to be engaged by the Corporation at the time of the publication of the Inferred Resource, the Corporation will pay Yakubchuk an additional discovery bonus fee of US\$100,000 for each 1 million ounces of gold included in an independently estimated Inferred Resource on the Sergeevskoe gold project in Russia (the “**Bonus**”). The Bonus will be payable by the Corporation within 30 days of the publication of the Inferred Resource.

Golden Oak Corporate Services Ltd.

On October 26, 2016, as amended December 15, 2016, the Corporation entered into a consulting agreement (the “**GO Agreement**”) with Golden Oak Corporate Services Ltd. (the “**Contractor**”), a company controlled by Dan O’Brien and Doris Meyer, the Corporation’s Chief Financial Officer and Corporate Secretary.

Pursuant to the GO Agreement, the Contractor provides the services of qualified personnel employed by the Contractor. On October 26, 2016, Doris Meyer was appointed by the Corporation to serve as the Corporate Secretary of the Corporation. On December 30, 2016, Dan O’Brien was appointed by the Corporation to serve as the Chief Financial Officer. The Contractor provides as an independent contractor to the Corporation accounting, financial, corporate and regulatory compliance services in consideration of an annual service fee of CAD\$150,000 (the “**Annual Service Fee**”) plus applicable taxes. The Corporation reimburses the Contractor a share of reasonable office costs and expenses and all pre-approved travel and out-of-pocket expenses incurred by the Contractor in furtherance of or in connection with the business of the Corporation and its subsidiaries.

The GO Agreement shall continue for an indefinite term, unless otherwise terminated. The GO Agreement may be terminated by the Corporation for cause without notice or without cause at any time upon ninety (90) days written notice of termination or payment in lieu of notice and reimbursement of any other amounts then due and owing. The GO Agreement may be terminated by the Contractor upon sixty (60) days written notice to the Corporation provided that the Corporation may waive such notice, in which case the Contractor’s services will terminate upon the Corporation giving such waiver. During the sixty (60) day notice period, the Contractor will agree to perform its obligations to the Corporation if the Corporation requests such performance and will perform such obligations in the manner directed by the Corporation. On a defined change of control event, if the Corporation terminates the GO Agreement within one year of the change of control event, Contractor shall be paid an amount equal to the Annual Service Fee.

Under the terms of the employment agreements detailed above, in the event of termination other than for cause, then Mr. Yakubchuk and Golden Oak would be entitled to the following compensation:

Name	Position	Termination value without cause	Termination value on change of control
Alexander Yakubchuk	Director of Exploration	\$36,000	\$36,000
Golden Oak	Chief Financial Officer and Corporate Secretary	\$28,198	\$112,792

Note: All options immediately vest on a change of control. Options that have vested as of the date of termination remain exercisable for ninety (90) days following termination. The value of unexercised “in-the-money options” at December 31, 2019 are detailed under “Outstanding option-

based awards” above. The US dollar termination values have been translated to Canadian dollar equivalents at an exchange rate of 1.1.3299 on December 31, 2019.

Directors' and Officers' Insurance

The Corporation procures a comprehensive directors' and officers' liability insurance program. Subject to policy conditions, this program is intended to cover each individual's liability arising from their duties as a director or officer of the Corporation provided, they acted honestly and in good faith with a view to the best interests of the Corporation.

Directors' Compensation

Since March 1, 2017, the non-executive directors are paid an annual retainer of US\$15,000 each. Directors are also reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or shareholder meetings and otherwise incurred in carrying out their duties as directors of the Corporation.

The Board allows each director at the beginning of the year to elect to be paid 100% of their annual fees in cash or in shares or 50% in cash and 50% in Common Shares. Mr. Corra opted for 50% in cash and 50% in Common Shares. Messrs. Rhodes and Pakhomov opted for 100% payment in Common Shares. The Common Shares to be issued will be subject to approval by the TSX-V and will be priced at the closing price on the last trading day of December each year and issued within three (3) business days after that.

Directors may also receive options granted under the Option Plan as determined by the Board. Among other things, the Board considers the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options to directors and the size of such grants. The exercise price of such options is determined by the Board but shall in no event be less than the market price of the common shares on the day prior to the date on which the grant of the options is made.

Directors are also entitled to receive compensation to the extent that they have provided services other than in their capacity as a director or officer of the Corporation to the Corporation at rates that would otherwise be charged by such directors for such services to arm's length parties or less. During the financial year ended December 31, 2019, there were no additional fees paid to directors for such additional services.

OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NEO COMPENSATION

Oversight of Executive Compensation Program

The Board is responsible for determining all forms of compensation to be granted to the Chief Executive Officer of the Corporation and the directors, and for reviewing the Chief Executive Officer's recommendations respecting compensation of the other senior executives of the Corporation, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its executive officers, the Board considers the following issues: i) recruiting and retaining executives critical to the success of the Corporation and the enhancement of shareholder value; ii) providing fair and competitive compensation; iii) balancing the interests of management and the Corporation's shareholders; and iv) rewarding performance, both on an individual basis and with respect to operations in general.

In order to achieve these objectives, the compensation paid to the Corporation's executive officers consists of a base salary and long-term incentives in the form of stock options.

Base Salary

The base salary currently paid to our named executive officers is commensurate with the nature of our business and their individual experience, duties and scope of responsibilities. In the future, we intend to pay competitive base salaries required to recruit and retain executives of the quality that we must employ to ensure our success.

In making determinations of salary levels for the named executive officers, the Board is likely to consider the entire compensation package for named executive officers, including the equity compensation provided under the Option Plan. Orsu Metals intends for salary levels to be consistent with competitive practices of comparable institutions and each executive's level of responsibility. The Board is likely to determine the level of any salary (or salary increase) after reviewing the qualifications, experience, and performance of the particular executive officer and the nature of our business, the complexity of its activities, and the importance of the executive's contribution to the success of the business through discussion only, with no formal objectives (performance or otherwise) or criteria.

The Board may also take into consideration salaries paid to others in similar positions in the Corporation's industry based on the experience of the Board and review of publicly available information. The discussion of the information and factors considered

and given weight by the Board is not intended to be exhaustive, but it is believed to include all material factors considered by the Board. In reaching the determination to approve and recommend the current base salaries of Orsu Metals' named executive officers, the Board did not assign any relative or specific weight to the factors which were considered, and the members may have given a different weight to each factor.

The Board will review and adjust the base salaries of our executive officers when deemed appropriate.

We intend to pay competitive base salaries required to recruit and retain executives of the quality that we must employ to ensure our success.

Option-based awards

Executive officers of the Corporation, as well as directors, employees and consultants (together the "**Optionees**"), are eligible to participate in the Corporation's Option Plan (as previously defined and described herein at Item 4 – Approval of the Renewal of Stock Option Plan). Stock option grants are an important part of the Corporation's incentive strategy permitting executive officers to share in any appreciation of the market value of the Corporation's shares over a stated period of time, and it is intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance, as measured through the price of the Corporation's shares, and enables executive officers to acquire a significant ownership position in the Corporation.

Management recommended the individual stock option allotments to the Board and the size of the grants are dependent on, among other things, each Optionees' level of responsibility, authority and importance to the Corporation and the degree to which such long-term contribution to the Corporation will be responsible for its long-term success. The Board also evaluates the number of options an Optionee has been granted, the exercise price of the options and the term remaining on those options when considering further grants.

The Board normally grants stock options to an executive officer when they first join the Corporation based on their level of responsibility. Additional grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's ongoing level of responsibility within the Corporation.

See "Stock Options and Other Compensation Securities", as well as "Securities Authorized for Issuance under Equity Compensation Plans."

Benefits and Perquisites

Orsu Metals' named executive officers do not receive perquisites or benefits that are not generally available to all employees of Orsu Metals. All the Corporation's employees receive reimbursement for the use of personal vehicles for valid company business.

Risk Oversight

The Board is responsible for risk oversight and risk management in connection with the Corporation's compensation policies and practices. The Board has considered the risks relating to the compensation paid to the Corporation's executives, directors and other employees and has determined that the type and structure of the compensation does not present any risks that are reasonably likely to have a material adverse effect on the Corporation.

Directors and officers are prohibited from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, and collars) that are designed to hedge or offset a decrease in the market value of the Corporation's equity securities that are granted as compensation or held, directly or indirectly, by a director or officer.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2019 with respect to securities that are authorized for issuance under the Option Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average CDN \$ exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	3,325,000	\$0.14	470,848
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	3,325,000	\$0.14	470,858

AGGREGATE INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES OF THE CORPORATION OR ANY OF ITS SUBSIDIARIES

As of the date of this Information Circular and at any time within thirty (30) days prior to the date hereof, no executive officer, director, employee, or former executive officer, director or employee of the Corporation or any of its subsidiaries is or was indebted in respect of any purchase of securities or otherwise to the Corporation or any of its subsidiaries or to any other entity for which the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INDEBTEDNESS OF THE CORPORATION'S DIRECTORS AND EXECUTIVE OFFICERS AND OTHERS UNDER SECURITIES PURCHASE AND OTHER PROGRAMS

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, no proposed director, and no associate of any such director, executive officer or proposed director, is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or any of its subsidiaries, or indebted to another entity for which the indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, in respect of any security purchase program or any other program.

AUDIT COMMITTEE DISCLOSURE

Composition of the Audit Committee

The following table provides information relating to each member of the Audit Committee, including his name, a description of whether he is (i) independent of Orsu Metals and (ii) financially literate, and a summary of his relevant education and experience.

Name	Independent of Orsu Metals	Financially Literate	Relevant Education and Experience
Mark Corra	Yes	Yes	Mr. Corra was a Director of Energold Drilling Corp., a drilling company in the mining and energy sectors, since June 2014, Sunridge Gold Corp., a junior exploration company, from July 2008 to December 2016 and at Uracon Resources Ltd, a junior uranium exploration company listed on the TSX-V, since May 2014. Prior to this Mr. Corra was Senior VP Finance and CFO of B2Gold until April 2014. Mr. Corra has extensive experience in finance, particularly with respect to the natural resource sector. A Chartered Professional Accountant, Certified Management Accountant, with a diploma in financial management from the British Columbia Institute of Technology. He has also acted as CFO for Consolidated Puma Minerals Corp., Victoria Resources Corp. and Consolidated Westview Resource Corp.
David Rhodes	Yes	Yes	Mr. Rhodes is the Managing Director at Endeavour Financial Ltd since 2004. His experience in the natural resource business spans more than twenty-five years, having arranged, structured and advised on over \$4.5 billion of resource related projects around the world. Mr. Rhodes' career prior to joining Endeavour Financial Limited was at Standard Bank, Barclays Capital and Royal Bank of Scotland. At Standard Bank and Barclays Capital, he sourced, structured and syndicated finance for resource projects and companies on a global basis. Having lived and worked in London and New York, he has international experience with the CIS, North/South American, European and African markets. Mr. Rhodes is a member of the Institute of Financial Services and has a BSc (Hons) in Financial Services.
Vladimir Pakhomov	Yes	Yes	Mr. Pakhomov is a Managing Partner of Olympia Capital, an asset management and merchant banking firm specializing in investment opportunities primarily in Russia and CIS (2011 – present). He was the Investment Director with Onexim Group (2007 – 2010). He graduated Moscow Institute of International Relations and is CFA Charterholder. Mr. Pakhomov resides in Moscow and is fluent in Russian and English.

Audit Committee Oversight

During the fiscal year ended December 31, 2019, all recommendations of the Audit Committee to nominate or compensate the external auditors were adopted by the Board.

Pre-Approval Policies and Procedures

Included as part of the Audit Committee's charter is the responsibility of the Audit Committee to pre-approve all non-audit services to be provided to Orsu Metals by its external auditors.

External Auditor Service Fees

The following tables summarize the fees paid to the external auditor of the Corporation, Davidson & Company LLP for the fiscal year ended December 31, 2018 and December 31, 2019.

Davidson & Company LLP		
Service description	Fees 2018 CAD\$	Fees 2019 CAD\$
Audit Fees	40,000	40,000
Tax Fees	5,850	4,000
Total Fees	45,850	44,000

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of Orsu Metals Corporation (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- a) conduct such reviews and discussions with management and the independent auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- c) ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- d) review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and report thereon to the Board for approval of same;
- e) select and monitor the independence and performance of the Corporation's external auditors (the "**Independent Auditors**"), including attending at private meetings with the Independent Auditors and reviewing and approving all renewals or dismissals of the Independent Auditors and their remuneration; and
- f) provide oversight of related party transactions entered into by the Corporation.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the Independent Auditors as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 3 of this Charter.

2. COMPOSITION AND MEETINGS

- a) The Committee and its membership shall meet all applicable legal and listing requirements, including, without limitation, those of the TSX and the AIM exchanges and all applicable securities regulatory authorities.
- b) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
- c) Each member of the Committee must be "independent" (as defined under *Multilateral Instrument 52-110 - Audit Committees ("MI 52-110")*).
- d) Each member of the Committee must, to the satisfaction of the Board, be "financially literate" (as defined under MI 52-110).
- e) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present either in person or by telephone shall constitute a quorum.
- f) Unless otherwise agreed, notice of each meeting of the Committee, confirming the venue, time and date together with an agenda of items to be discussed and any supporting papers, shall be forwarded to each member of the Committee and any other person invited to attend, no fewer than five business days prior to the date of the meeting.
- g) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
- h) If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
- i) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by, the Committee. A meeting of the Committee may be called by letter, telephone,

facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.

- j) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- k) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
- l) The Committee may invite such officers, directors and employees of the Corporation and its subsidiaries as it may see fit, or other persons, from time to time, to attend at meetings of the Committee.
- m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.
- n) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Chair shall not have a casting vote on all matters in the event of an equality of votes. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Audit Committee shall require the approval of the Board prior to implementation.

3. RESPONSIBILITIES

A. Financial Accounting and Reporting Process and Internal Controls

- a) The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with IFRS applicable to the relevant reporting period. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the Independent Auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- b) The Committee shall review management's internal control report and the evaluation of such report by the Independent Auditors, together with management's response.
- c) The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including annual and interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws prior to their being filed with the appropriate regulatory authorities.
- d) The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than disclosure addressed in paragraph 3 above, and must periodically assess the adequacy of those procedures.
- e) The Committee shall meet no less frequently than annually with the Independent Auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, deems appropriate.
- f) The Committee shall inquire of management and the Independent Auditors about significant risks or exposures, both internal and external, to which the Corporation may be subject, and assess the steps management, has taken to minimize such risks.
- g) The Committee shall review the post-audit or management letter containing the recommendations of the Independent Auditors and management's response and subsequent follow-up to any identified weaknesses.
- h) The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
- i) The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls and auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- j) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former Independent Auditors.
- k) The Committee shall provide oversight to related party transactions entered into by the Corporation.

B. Independent Auditors

- a) The Committee shall recommend to the Board the Independent Auditors to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation.
- b) The Committee shall recommend to the Board the compensation of the Independent Auditors and shall review fees paid by the Corporation to the Independent Auditors and other professionals in respect of audit and non-audit services on an annual basis.
- c) The Committee shall be directly responsible for the oversight of the Independent Auditors, including the resolution of disagreements between management of the Corporation and the Independent Auditors regarding financial reporting and the Independent Auditors shall report directly to the Committee.
- d) The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the Independent Auditors to the Corporation and its subsidiary entities.
- e) The Committee shall monitor and assess the relationship between management and the Independent Auditors and monitor, confirm, support and assure the independence and objectivity of the Independent Auditors.
- f) The Committee shall review the Independent Auditor's audit plan, including scope, procedures and timing of the audit.
- g) The Committee shall review the results of the annual audit with the Independent Auditors, including matters related to the conduct of the audit.
- h) The Committee shall obtain timely reports from the Independent Auditors describing critical accounting policies and practices, alternative treatments of information within GAAP that were discussed with management, their ramifications, and the Independent Auditors' preferred treatment and material written communications between the Corporation and the Independent Auditors.

C. Reporting Responsibilities

- a) The Chair shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.
- b) The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

D. Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

4. AUTHORITY

The Committee is authorised to:

- a) engage independent counsel and other advisors as it determines necessary to carry out its responsibilities;
- b) set and pay the compensation for any advisors employed by the Committee; and
- c) communicate directly with the internal auditors of the Corporation as well as with the Independent Auditors.

STATEMENT OF CORPORATE GOVERNANCE

The Board and management of the Corporation recognize that effective corporate governance practices are fundamental to the long-term success of the Corporation. Sound corporate governance contributes to shareholder value through increased confidence. The Board and management are committed to maintaining a high standard of corporate governance having regard to the suggestions contained in National Policy 58-201 - *Corporate Governance Guidelines* (the “**Guidelines**”), which establishes the basis for effective corporate governance. The Corporation’s approach to corporate governance, with reference to the Guidelines, is outlined below in accordance with National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”).

The Board of Directors

The Board is currently comprised of five members, three of whom the Board has determined are “independent” directors within the meaning of NI 58-101.

Dr. Sergey V. Kurzin (who is also Executive Chairman) and Sergei Stefanovich (who is also Managing Director), are considered non-independent directors within the meaning of NI 58-101, as they are officers of the Corporation.

Mark Corra, David Rhodes and Vladimir Pakhomov are considered independent directors within the meaning of NI 58-101.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the Board reviews its procedures from time to time to ensure that it can function independently of management. The Board and/or independent directors meet, as necessary, without management and/or non-independent directors present. Mr. Mark Corra acts as a lead director when required and provides leadership to the other independent directors. When conflicts do arise on the Board in respect of a proposed transaction, event or other matter, the interests of any director in such proposed transaction, event or matter are disclosed to the rest of the Board prior to any vote on the proposed transaction, event or matter. In light of the suggestions contained in NI 58-101, the Board intends to continue to convene meetings of independent directors in the future, at which non-independent directors and members of management are not in attendance as may be deemed necessary.

The following directors are presently a director of one or more other reporting issuers (or equivalent) in Canada or in another jurisdiction:

Director	Other Reporting Issuers
Mark Corra	Vanadian Energy Corp.
Vladimir Pakhomov	Azarga Metals Corp.

Board Mandate

There is currently no specific written mandate of the Board, other than that contained in corporate regulations or legislation to which the Board is subject in relation to the discharge of the directors' duties and standards of care.

In addition to those matters which must be approved by the Board by law, significant business activities and actions proposed to be taken by the Corporation are subject to Board approval.

Annual capital and operating budgets and significant changes thereto, long range plans, major changes in the organizational structure of the Corporation, annual financial statements, major acquisition and disposition transactions, major financing transactions involving the issuance of shares, debt securities and the like, major banking transactions, long term contracts with significant cumulative financial commitments, appointment of senior executive officers, benefit plans, stock option or other share-based compensation plans, issuance of stock options or other share-based compensation and succession plans are all subject to Board approval or, where appropriate, a duly authorized committee of the Board.

In addition, the Board is responsible for overseeing the strategic direction of the Corporation, monitoring the performance of the Corporation's assets and assessing opportunities for and risks affecting the Corporation's business and assessing means to effectively deal with same.

The Board does not have set dates for holding Board meetings, except meetings held to approve quarterly and annual accounts (when such accounts are not approved by written resolution). Other meetings are held as the needs of the Corporation's business require.

The Board does not currently have in place a formal program for succession planning; however, the Board is responsible for establishing and maintaining a succession plan for the Executive Chairman as well as overseeing the Corporation's overall execution of its succession planning. The Board will consider implementing a formal program for the Corporation as part of the development planning process.

Position Descriptions

The Corporation has not developed written position descriptions for the Executive Chairman of the Corporation or the Chair of the Audit Committee. The members of the Audit committee are approved by the Board and the Chair of each of the Audit Committee is approved by the Board as well as the members.

The Audit Committee has a charter which outlines the responsibilities of that committee. The Chair of the Audit Committee is responsible for ensuring that the committee operates in accordance with its charter and leads the meetings of that committee. The Executive Chairman is responsible for the strategic development of the Corporation, including developing the objectives and strategies of the Corporation and its subsidiaries, examining major capital expenditures, identifying and executing acquisitions and dispositions of projects, leading geographic diversification initiatives, identifying and executing new business opportunities, and ensuring the timely and accurate disclosure of information. The Executive Chairman reports to the Board and all major matters are approved by the Board at meetings or by way of written resolution. The Executive Chairman may also make recommendations to the Board relating to remuneration policy, executive remuneration and the employment terms of the senior executive officers of the Corporation and on the roles and competencies required of executive director nominees.

The Corporation has not developed a written position description for the Managing Director. The Managing Director reports to the Executive Chairman and the Board, and the Board responds to and, if it considers it to be appropriate, approves, with such revisions as it may require, corporate objectives and recommended courses of action, which have been brought forward by the Managing Director and management. The Board and the Managing Director review, on a regular basis, the scope and limits of management's responsibilities and powers.

The Board has delegated to management (including the Executive Chairman, the Managing Director, the Chief Financial Officer and the Corporate Secretary) responsibility for meeting the Corporation's objectives, implementing approved strategic and operating plans, generally managing the Corporation's day to day business and cash flows, evaluating new business opportunities and compliance with regulatory requirements as they apply to the Corporation. In addition, management is tasked with preparing and recommending long-term strategic objectives, annual operating plans and budgets. The responsibilities of a Chief Executive Officer are undertaken by the Executive Chairman and the Managing Director together, and decisions are generally made jointly, other than with respect to certain responsibilities that are within the sole responsibility of the particular executive officer. For example, in such capacity, the Executive Chairman is primarily responsible for the Corporation's strategic planning and the Managing Director is primarily responsible for the certification of the Corporation's financial reports.

Orientation and Continuing Education

The Corporation currently does not have in place a formal orientation and education program for new Board members. As new directors join the Board, management will provide these individuals with information about the Corporation, including its corporate plan and strategic direction, and an outline of the general duties and responsibilities entailed in carrying out their role as directors. Information about the Corporation's projects is available to Board members, who are also encouraged to visit the Corporation's project sites as appropriate. The members of the Board are experienced professionals in their respective areas of business and they receive regular updates at Board meetings regarding developments in the exploration and mining industry, the state of the Corporation's projects, and the political situation in the countries in which the Corporation operates. Each director shares his experiences in the areas in which he has strong professional knowledge and has unlimited access to the Corporation's executives to seek required clarifications regarding the technical aspects of operations of the Corporation's projects throughout the different stages of development and operation, as applicable.

Ethical Business Conduct

The Board has adopted a formal Code of Ethics and Business Principles for directors, officers and employees (the "Code"). A copy of the Code is available on SEDAR (www.sedar.com). The Board is responsible for safeguarding the Corporation's interests and assisting the Corporation's business development initiatives.

The Board does not formally monitor compliance with the Code. Management is expected to report any breaches of the Code to the Board. Additionally, the Code also provides a process by which actual or potential violations of its provisions are to be reported to the individual's manager or, if this is inappropriate, to the Corporation's legal counsel and confirms that there will not be any reprisals against an individual who does so in good faith.

All of the Corporation's employees, officers and directors are expected to comply with the Code.

When conflicts arise on the Board in respect of a proposed transaction, event or other matter, the interests of any director in such proposed transaction, event or matter are disclosed to the rest of the Board prior to any vote on the proposed transaction, event or matter.

Nomination of Directors

The Board considers the skills and attributes that would be required of a new director. Current directors and senior management are requested to advise the Executive Chairman of potential candidates. Once candidates are identified, the Executive Chairman, alone or with other directors, interviews the individuals and advises the Board the results of the interviews and makes a recommendation on a candidate to the Board for its approval.

The Board seeks to select well-qualified candidates with a diversity of background, experience and geographic location to maintain a well-balanced and highly competent group of directors with the ability to act together effectively. The Board is responsible for implementing orientation and education programs for new members of the Board and implementing procedures for assessing the effectiveness of the Board and its committees and for assessing the contribution of each of the Corporation's directors.

Committees

Given the size of the Board, the Board has no committees other than the Audit Committee.

Assessments

The Board is collectively responsible for assessing the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual directors as it relates to the Board's mandate and the Corporation's goals.

The Board is also responsible for the examination of the size of the Board with a view to determining the impact of the number upon effectiveness and to undertake where appropriate, a program to reduce or enlarge the number of directors to a number which facilitates more effective decision-making.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last completed financial year, and no proposed director of the Corporation, nor any associate or affiliate of any such director, executive officer or proposed director 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, except as disclosed in this Information Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director, executive officer, proposed director, any person or company beneficially owning, controlling or directing, directly or indirectly (or a combination thereof), Common Shares carrying more than ten percent of the voting rights of the Common Shares, any directors or executive officers of such shareholders, or any associate or affiliate of the foregoing persons, have had a material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

MANAGEMENT CONTRACTS

The management functions of the Corporation and its subsidiaries are performed by the directors and/or executive officers of the Corporation and its subsidiaries, as applicable, and not, to any substantial degree, by any other person. See "*Executive and Director Compensation - Termination and Change of Control Benefits*" above.

OTHER MATTERS TO BE ACTED ON

Management of the Corporation is unaware of any matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. **However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Information Circular to vote in respect of any such matters in accordance with their best judgment.**

ADDITIONAL INFORMATION

You may obtain additional financial information about Orsu Metals in our Financial Statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2019, by completing the enclosed Financial Statement Request Form, which is being mailed with this Information Circular. Copies may be obtained without charge upon request to us at Unit 1 – 15782 Marine Drive, White Rock, B.C. Canada V4B 1E6 - telephone +1 (604) 536-2711; fax +1 (604) 536-2788. You may also access our disclosure documents through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com or the Corporation's website at www.orsumetals.com.

BOARD APPROVAL

The contents of this Information Circular have been approved, and its mailing has been authorized by the Board.

Dated at White Rock, British Columbia, this 22nd day of May 2020.

ON BEHALF OF THE BOARD,

/s/ Sergey V. Kurzin

Dr. Sergey V. Kurzin,
Executive Chairman

APPENDIX A



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

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

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

If you are continuing a company into BC and want the BC Incorporation number as its name, you will need to file this form on paper. Complete this form and mail to the Corporate Registry, along with a letter from the corporation's home jurisdiction authorizing the continuation in. For information on the content of the authorization letter, see the Corporate Online Help Centre at www.corporateline.gov.bc.ca for "Continuation Application" and "Authorization for Continuation In."

A. NAME OF COMPANY – Choose one of the following:

- Checked box: The name ORSU METALS CORPORATION is the name reserved for the foreign corporation to be continued in. The name reservation number is: NR6795911, OR
Unchecked box: The foreign corporation is to be continued in with a name created by adding "B.C. Ltd." after the incorporation number of the company.

B. FOREIGN CORPORATION'S CURRENT JURISDICTION

- 1. Corporate number assigned by the foreign corporation's jurisdiction: 650334
2. Corporation's name in the foreign corporation's jurisdiction: Orsu Metals Corporation
3. Foreign corporation's date of incorporation or the most recent date of amalgamation or continuation: 2005 / 04 / 08
4. Foreign corporation's jurisdiction of incorporation, amalgamation or continuation: British Virgin Islands

C. AUTHORIZATION FOR CONTINUATION

Authorization for the continuation from the foreign corporation's jurisdiction is:
Unchecked boxes: ATTACHED, ALREADY FILED

D. REGISTRATION AS AN EXTRAPROVINCIAL COMPANY

Is the foreign corporation currently registered in BC as an extraprovincial company?
Unchecked box: YES
Checked box: NO
If YES, enter the BC registration number and name of the extraprovincial company below:

Extraprovincial Registration Number in BC:
Extraprovincial Company Name in BC:
(Including assumed name, if any, approved for use in BC)

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

Table with 3 columns: NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION, SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE FOREIGN CORPORATION, DATE SIGNED

NOTICE OF ARTICLES

A. NAME OF COMPANY

Set out the name of the company as set out in Item A of the Continuation Application.

ORSU METALS CORPORATION

B. TRANSLATION OF COMPANY NAME

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

N/A

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

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

LAST NAME	FIRST NAME	MIDDLE NAME	DELIVERY ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ ZIP CODE	MAILING ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ ZIP CODE
Kurzin	Sergey		Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6	same
Stefanovich	Sergei		Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6	Same
Rhodes	David		Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6	Same
Corra	Mark		Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6	Same
Pakhomov	Vladimir		Unit 1 – 15782 Marine Drive, White Rock, B.C. V4B 1E6	Same

D. REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

15782 Marine Drive, Unit 1, White Rock , BC V4A 1B6

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

15782 Marine Drive, Unit 1, White Rock , BC V4A 1B6

E. RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

15782 Marine Drive, Unit 1, White Rock , BC V4A 1B6

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

15782 Marine Drive, Unit 1, White Rock , BC V4A 1B6

F. AUTHORIZED SHARE STRUCTURE

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number	Kind of shares of this class or series of shares		Are there special rights or restrictions attached to the shares of this class or series of shares?
	MAXIMUM NUMBER OF SHARES AUTHORIZED OR NO MAXIMUM NUMBER	PAR VALUE OR WITHOUT PAR VALUE	TYPE OF CURRENCY	YES/NO
Common	no maximum number	without	n/a	No

Incorporation Number _____

ARTICLES
OF
ORSU METALS CORPORATION
PROVINCE OF BRITISH COLUMBIA
BUSINESS CORPORATIONS ACT

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Incorporation Number _____

ARTICLES

ORSU METALS CORPORATION

(the "Company")

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In these Articles, unless the context otherwise requires:

- (1) "**appropriate person**" has the meaning assigned in the *Securities Transfer Act*;
- (2) "**board of directors**" and "**board**" mean the board of directors or sole director of the Company for the time being;
- (3) "**BCA**" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) "**director**" means a person who is a director of the Company for the time being;
- (5) "**directors' resolution**" means a resolution of the board of directors passed at a meeting of the board or consented to by the directors in accordance with Section 140 of the BCA and Section 18.12;
- (6) "**Interpretation Act**" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (7) "**legal personal representative**" means the personal or other legal representative of a shareholder or other person, as the context requires;
- (8) "**protected purchaser**" has the meaning assigned in the *Securities Transfer Act*;
- (9) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;
- (10) "**seal**" means the seal of the Company, if any;
- (11) "**Securities Act**" means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (12) "**securities legislation**" means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; "**Canadian securities legislation**" means the securities legislation in any province or territory of Canada and includes the *Securities Act*, and "**U.S. securities**

legislation" means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the *Securities Act* of 1933 and the *Securities Exchange Act* of 1934;

(13) "**Securities Transfer Act**" means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act; and

(14) "**special business**" has the meaning set out in Section 11.1.

Section 1.2 BCA and Interpretation Act Definitions Applicable

The definitions in the BCA and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment.

Section 1.3 Conflicts or Inconsistencies

If there is a conflict between a definition in the BCA and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the BCA will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the BCA, the BCA will prevail.

ARTICLE 2 SHARES AND SHARE CERTIFICATES

Section 2.1 Authorized Share Structure

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

Section 2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the BCA.

Section 2.3 Shareholder Entitled to Certificate or Acknowledgement

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

Section 2.4 Delivery by Mail

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

Section 2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the Company is satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced, it must, on production to it of

the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as it thinks fit:

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

Section 2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the Company.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

Section 2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

Section 2.8 Splitting Share Certificates

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

Section 2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Section 2.5, Section 2.6, or Section 2.8, the amount, if any and which must not exceed the amount prescribed under the BCA, determined by the board.

Section 2.10 Recognition of Trusts

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

ARTICLE 3 ISSUE OF SHARES

Section 3.1 Board Authorized

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

Section 3.2 Commissions and Discounts

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

Section 3.3 Brokerage

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

Section 3.4 Conditions of Issue

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

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

Section 3.5 Share Purchase Warrants and Rights

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

ARTICLE 4 SHARE REGISTERS

Section 4.1 Central Securities Register

As required by and subject to the BCA, the Company must maintain a central securities register, which may be kept in electronic form. The board may, subject to the BCA, appoint an agent to maintain the central securities register. The board may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series

of its shares, as the case may be. The board may terminate such appointment of any agent at any time and may appoint another agent in its place.

Section 4.2 Closing Register

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

ARTICLE 5 SHARE TRANSFERS

Section 5.1 Registering Transfers

Subject to Article 26, the BCA and the *Securities Transfer Act*, the Company must register a transfer of a share of the Company if either:

- (1) the Company or the transfer agent or registrar for the class or series of shares to be transferred has received:
 - (a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
 - (b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the BCA and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
 - (c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of shares to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or
- (2) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

Section 5.2 Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Section 5.1(1) and any of the preconditions referred to in Section 5.1(2).

Section 5.3 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form satisfactory to the Company or the transfer agent for the class or series of shares to be transferred.

Section 5.4 Transferor Remains Shareholder

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

Section 5.5 Signing of Instrument of Transfer

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

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

Section 5.6 Enquiry as to Title Not Required

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

Section 5.7 Transfer Fee

Subject to the applicable rules of any stock exchange on which the shares of the Company may be listed, there must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the board.

ARTICLE 6 TRANSMISSION OF SHARES

Section 6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the board may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

Section 6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles and applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Section 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

**ARTICLE 7
ACQUISITION OF COMPANY'S SHARES**

Section 7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Section 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the BCA and applicable securities legislation, the Company may, if authorized by the board, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the board.

Section 7.2 No Purchase, Redemption or Other Acquisition When Insolvent

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

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

Section 7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

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

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

**ARTICLE 8
BORROWING POWERS**

Section 8.1 Borrowing Powers

The Company, if authorized by the board, may:

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

**ARTICLE 9
ALTERATIONS**

Section 9.1 Alteration of Authorized Share Structure

Subject to Section 9.2, the special rights or restrictions attached to the shares of any class or series of shares and the BCA, the Company may:

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

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly; or

- (2) by directors' resolution, subdivide or consolidate all or any of its unissued, or fully paid issued, shares and if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

Section 9.2 Special Rights or Restrictions

Subject to the special rights or restrictions attached to the shares of any class or series of shares and the BCA, the Company may by ordinary resolution:

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

and alter its Articles and Notice of Articles accordingly.

Section 9.3 No Interference with Class or Series Rights without Consent

A right or special right attached to issued shares must not be prejudiced or interfered with under the BCA, the Notice of Articles or these Articles unless the holders of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

Section 9.4 Change of Name

The Company may by directors' resolution or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name.

Section 9.5 Other Alterations

If the BCA does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

ARTICLE 10 MEETINGS OF SHAREHOLDERS

Section 10.1 Annual General Meetings

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

Section 10.2 Resolution Instead of Annual General Meeting

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

Section 10.3 Calling of Meetings of Shareholders

The board may, at any time, call a meeting of shareholders, to be held at such time and at such place, either in or outside British Columbia, as may be determined by the board.

Section 10.4 Electronic Meetings

The board may determine that a meeting of shareholders shall be held entirely by means of telephone, electronic or other communications facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the board determines to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

Section 10.5 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

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

Section 10.6 Record Date for Notice

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

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

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

Section 10.7 Record Date for Voting

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

Section 10.8 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Section 10.9 Notice of Special Business at Meetings of Shareholders

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

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

Section 10.10 Class Meetings and Series Meetings of Shareholders

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

Section 10.11 Notice of Dissent Rights

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

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

Section 10.12 Advance Notice Provisions

(1) *Nomination of Directors*

Subject only to the BCA and these Articles, only persons who are nominated in accordance with the procedures set out in this Section 10.12 shall be eligible for election as directors to the board of directors of the Company. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting, as follows:

- (a) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance with the provisions of the BCA or a valid requisition of shareholders made in accordance with the provisions of the BCA; or
- (c) by any person entitled to vote at such meeting (a "**Nominating Shareholder**"), who:
 - (i) is, at the close of business on the date of giving notice provided for in this Section 10.12 and on the record date for notice of such meeting, either entered in the securities register of the Company 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 provides evidence of such beneficial ownership to the Company; and
 - (ii) has given timely notice in proper written form as set forth in this Section 10.12.

(2) *Exclusive Means*

For the avoidance of doubt, this Section 10.12 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Company.

(3) *Timely Notice*

In order for a nomination made by a Nominating Shareholder to be timely notice (a "**Timely Notice**"), the Nominating Shareholder's notice must be received by the corporate secretary of the Company at the principal executive offices or registered office of the Company:

- (a) in the case of an annual meeting of shareholders (including an annual and special meeting), not later than 5:00 p.m. (Vancouver time) on the 30th day before the date of the meeting; provided, however, if the first public announcement made by the Company of the date of the meeting (each such date being the "**Notice Date**") is less

than 50 days before the meeting date, notice by the Nominating Shareholder may be given not later than the close of business on the 10th day following the Notice Date; and

- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the Notice Date;

provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described in Section 10.12(3)(a) or Section 10.12(3)(b), and the Notice Date in respect of the meeting is not less than 50 days before the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the date of the applicable meeting.

(4) ***Proper Form of Notice***

To be in proper written form, a Nominating Shareholder's notice to the corporate secretary must comply with all the provisions of this Section 10.12 and disclose or include, as applicable:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):
 - (i) the name, age, business and residential address of the Proposed Nominee;
 - (ii) the principal occupation/business or employment of the Proposed Nominee, both presently and for the past five years;
 - (iii) the number of securities of each class of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Proposed Nominee, 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;
 - (iv) full particulars of any relationships, agreements, arrangements or understandings (including financial, compensation or indemnity related) between the Proposed Nominee and the Nominating Shareholder, or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee or the Nominating Shareholder;
 - (v) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the BCA or applicable securities law; and
 - (vi) a written consent of each Proposed Nominee to being named as nominee and certifying that such Proposed Nominee is not disqualified from acting as director under the provisions of subsection 124(2) of the BCA; and
- (b) as to each Nominating Shareholder giving the notice, and each beneficial owner, if any, on whose behalf the nomination is made:
 - (i) their name, business and residential address;

- (ii) the number of securities of the Company or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly, by the Nominating Shareholder or any other person with whom the Nominating Shareholder is acting jointly or in concert with respect to the Company or any of its securities, 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;
- (iii) their interests in, or rights or obligations associated with, any agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Company or the person's economic exposure to the Company;
- (iv) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between the Nominating Shareholder or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
- (v) full particulars of any proxy, contract, relationship arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Company or the nomination of directors to the board;
- (vi) a representation that the Nominating Shareholder is a holder of record of securities of the Company, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
- (vii) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Company in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Company in support of such nomination; and
- (viii) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* or as required by applicable securities law.

Reference to "**Nominating Shareholder**" in this Section 10.12(4) shall be deemed to refer to each shareholder that nominated or seeks to nominate a person for election as director in the case of a nomination proposal where more than one shareholder is involved in making the nomination proposal.

(5) ***Currency of Nominee Information***

All information to be provided in a Timely Notice pursuant to this Section 10.12 shall be provided as of the date of such notice. The Nominating Shareholder shall provide the Company with an update to such information forthwith so that it is true and correct in all material respects as of the date that is 10 business days before the date of the meeting, or any adjournment or postponement thereof.

(6) ***Delivery of Information***

Notwithstanding Article 24 of these Articles, any notice, or other document or information required to be given to the corporate secretary pursuant to this Section 10.12 may only be given by personal delivery or courier (but not by fax or email) to the corporate secretary at the address of the principal executive offices or registered office of the Company and shall be deemed to have been given and made on the date of delivery if it is a business day and the delivery was made prior to 5:00 p.m. (Vancouver time) and otherwise on the next business day.

(7) ***Defective Nomination Determination***

The chair of any meeting of shareholders of the Company shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Section 10.12, and if any proposed nomination is not in compliance with such provisions, must as soon as practicable following receipt of such nomination and prior to the meeting declare that such defective nomination shall not be considered at any meeting of shareholders.

(8) ***Failure to Appear***

Despite any other provision of this Section 10.12, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Company to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Company.

(9) ***Waiver***

The board may, in its sole discretion, waive any requirement in this Section 10.12.

(10) ***Definitions***

For the purposes of this Section 10.12, "**public announcement**" means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

**ARTICLE 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

Section 11.1 Special Business

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

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

- (f) the appointment of an auditor;
- (g) the setting of the remuneration of an auditor;
- (h) business arising out of a report of the board not requiring the passing of a special resolution or an exceptional resolution;
- (i) any non-binding advisory vote; and
- (j) any other business which, under these Articles or the BCA, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

Section 11.2 Special Majority

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

Section 11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares, a quorum for the transaction of business at a meeting of shareholders is present if shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

Section 11.4 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the officers, any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the board or by the chair of the meeting and any other persons who, although not entitled to vote, are entitled or required under the BCA or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

Section 11.5 Requirement of Quorum

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

Section 11.6 Lack of Quorum

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

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

Section 11.7 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Section 11.6(2) was adjourned, a quorum is not present within one-half hour from the time set for holding the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

Section 11.8 Chair

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

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

Section 11.9 Selection of Alternate Chair

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

Section 11.10 Adjournments

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

Section 11.11 Notice of Adjourned Meeting

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

Section 11.12 Electronic Voting

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities if the directors determine to make them available whether or not persons entitled to attend participate in the meeting by means of telephonic, electronic or other communications facilities.

Section 11.13 Decisions by Show of Hands or Poll

Subject to the BCA, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of telephonic, electronic or other communications facilities, unless a poll, before or on the declaration of the result of the vote by show of hands (or its functional equivalent), is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

Section 11.14 Declaration of Result

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

Section 11.15 Motion Need Not be Seconded

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

Section 11.16 Casting Vote

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

Section 11.17 Manner of Taking Poll

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

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

Section 11.18 Demand for Poll on Adjournment

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

Section 11.19 Chair Must Resolve Dispute

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

Section 11.20 Casting of Votes

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

Section 11.21 No Demand for Poll on Election of Chair

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

Section 11.22 Demand for Poll Not to Prevent Continuance of Meeting

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

Section 11.23 Retention of Ballots and Proxies

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

**ARTICLE 12
VOTES OF SHAREHOLDERS**

Section 12.1 Number of Votes by Shareholder or by Shares

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

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

Section 12.2 Votes of Persons in Representative Capacity

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

Section 12.3 Votes by Joint Holders

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

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

Section 12.4 Legal Personal Representatives as Joint Shareholders

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

Section 12.5 Representative of a Corporate Shareholder

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

- (1) for that purpose, the instrument appointing a representative must be received:
 - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
 - (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (2) if a representative is appointed under this Section 12.5:

- (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
- (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

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

Section 12.6 When Proxy Holder Need Not Be Shareholder

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

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

Section 12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Section 12.8 to Section 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

Section 12.8 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communications facility in addition to or in substitution for instructing proxy holders by mail.

Section 12.9 Alternate Proxy Holders

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

Section 12.10 Deposit of Proxy

Subject to Section 12.13 and Section 12.15, a proxy for a meeting of shareholders must:

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

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

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages or by using such available telephone or internet voting services as may be approved by the board.

Section 12.11 Validity of Proxy Vote

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

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

Section 12.12 Form of Proxy

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

[name of company]

(the "Company")

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

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

Signed [month, day, year]

[Signature of shareholder]

[Name of shareholder - printed]

Section 12.13 Revocation of Proxy

Subject to Section 12.14 and Section 12.15, every proxy may be revoked by an instrument in writing that is received:

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

- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

Section 12.14 Revocation of Proxy Must Be Signed

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

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

Section 12.15 Chair May Determine Validity of Proxy.

The chair of any meeting of shareholders may, at his or her sole discretion, determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Article 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

Section 12.16 Production of Evidence of Authority to Vote

The board or the chair of any meeting of shareholders may, but need not, at any time (including before, at or subsequent to the meeting), inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence for the purposes of determining a person's share ownership as at the relevant record date and the authority to vote.

ARTICLE 13 DIRECTORS

Section 13.1 Number of Directors

- (1) The number of directors is the number determined from time to time by directors' resolution.
- (2) If the number of directors has not been determined as provided in paragraph (1), the number of directors is equal to the number of directors designated as directors in the Notice of Articles that applied when the Company was recognized under the BCA or the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, by a consent resolution of shareholders, or by the directors pursuant to Section 14.4, Section 14.5 or Section 14.8.
- (3) Notwithstanding paragraph (2), the minimum number of directors is one or, if the company is a public company, three.

Section 13.2 Change in Number of Directors

If the number of directors is set under Section 13.1(1):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; and
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number at the first meeting of shareholders following the setting of that number, then the board, subject to Section 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

Section 13.3 Board's Acts Valid Despite Vacancy

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

Section 13.4 Qualifications of Directors

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

Section 13.5 Remuneration of Directors

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

Section 13.6 Reimbursement of Expenses of Directors

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

Section 13.7 Special Remuneration for Directors

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

Section 13.8 Gratuity, Pension or Allowance on Retirement of Director

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

ARTICLE 14 ELECTION AND REMOVAL OF DIRECTORS

Section 14.1 Election at Annual General Meeting

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

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

Section 14.2 Consent to be a Director

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

- (1) that individual consents to be a director in the manner provided for in the BCA;

- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the BCA.

Section 14.3 Failure to Elect or Appoint Directors

If:

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

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

- (3) when his or her successor is elected or appointed; and
- (4) when he or she otherwise ceases to hold office under the BCA or these Articles.

Section 14.4 Places of Retiring Directors Not Filled

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

Section 14.5 Board May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the remaining directors. For greater certainty, the appointment of a director to fill a casual vacancy as contemplated by this section is not the appointment of an additional director for the purposes of Section 14.8.

Section 14.6 Remaining Directors' Power to Act

The board may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the board may only act for the purpose of:

- (1) appointing directors up to that number; or
- (2) calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the BCA, for any other purpose.

Section 14.7 Shareholders May Fill Vacancies

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

Section 14.8 Additional Directors

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

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

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

Section 14.9 Ceasing to be a Director

A director ceases to be a director when:

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

Section 14.10 Removal of Director by Shareholders

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

Section 14.11 Removal of Director by Directors

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

ARTICLE 15 ALTERNATE DIRECTORS

Section 15.1 Application

The provisions of this Article 15 do not apply to the Company and its directors if and for so long as it is a public company.

Section 15.2 Appointment of Alternate Director

Any director (an "**appointor**") may by notice in writing received by the Company appoint any person (an "**appointee**") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the board or committees of the board at which the appointor is not present unless (in the case of an appointee who is not a director) the board has reasonably disapproved the appointment of

such person as an alternate director and has given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

Section 15.3 Notice of Meetings

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

Section 15.4 Alternate for More Than One Director Attending Meetings

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

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

Section 15.5 Consent Resolutions

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

Section 15.6 Alternate Director Not an Agent

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

Section 15.7 Revocation of Appointment of Alternate Director

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

Section 15.8 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

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

Section 15.9 Remuneration and Expenses of Alternate Director

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

ARTICLE 16 POWERS AND DUTIES OF THE BOARD

Section 16.1 Powers of Management

The board must, subject to the BCA and these Articles, manage or supervise the management of the business and affairs of the Company and has the authority to exercise all such powers of the Company as are not, by the BCA or by these Articles, required to be exercised by the shareholders of the Company.

Section 16.2 Appointment of Attorney of Company

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

ARTICLE 17 INTERESTS OF DIRECTORS AND OFFICERS

Section 17.1 Obligation to Account for Profits

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

Section 17.2 Restrictions on Voting by Reason of Interest

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

Section 17.3 Interested Director Counted in Quorum

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

Section 17.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that

individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the BCA.

Section 17.5 Director Holding Other Office in the Company

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

Section 17.6 No Disqualification

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

Section 17.7 Professional Services by Director or Officer

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

Section 17.8 Director or Officer in Other Corporations

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

ARTICLE 18 PROCEEDINGS OF THE BOARD

Section 18.1 Meetings of the Board

The board may meet for the conduct of business, adjourn and otherwise regulate its meetings as the board thinks fit, and meetings of the board held at regular intervals may be held at the place, at the time and on the notice, if any, as the board may from time to time determine.

Section 18.2 Voting at Meetings

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

Section 18.3 Chair of Meetings

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

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

- (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
- (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

Section 18.4 Meetings by Telephone or Other Communications Medium

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

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

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

Section 18.5 Calling of Meetings

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

Section 18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the board pursuant to Section 18.1 or as provided in Section 18.7, reasonable notice of each meeting of the board, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Section 24.1 or orally or by telephone conversation with that director.

Section 18.7 When Notice Not Required

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

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

Section 18.8 Meeting Valid Despite Failure to Give Notice

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

Section 18.9 Waiver of Notice of Meetings

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

Attendance of a director or alternate director at a meeting of the board is a waiver of notice of the meeting, unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

Section 18.10 Quorum

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

Section 18.11 Validity of Acts Where Appointment Defective

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

Section 18.12 Consent Resolutions in Writing

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

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

A consent in writing under this Section 18.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the board or of any committee of the board passed in accordance with this Section 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the board or of the committee of the board and to be as valid and effective as if it had been passed at a meeting of the board or of the committee of the board that satisfies all the requirements of the BCA and all the requirements of these Articles relating to meetings of the board or of a committee of the board.

ARTICLE 19 EXECUTIVE AND OTHER COMMITTEES

Section 19.1 Appointment and Powers of Executive Committee

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

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

Section 19.2 Appointment and Powers of Other Committees

The board may, by resolution:

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

Section 19.3 Obligations of Committees

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

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

Section 19.4 Powers of Board

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

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

Section 19.5 Committee Meetings

Subject to Section 19.3(1) and unless the board otherwise provides in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Section 19.1 or Section 19.2:

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

ARTICLE 20 OFFICERS

Section 20.1 Board May Appoint Officers

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

Section 20.2 Functions, Duties and Powers of Officers

The board may, for each officer:

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

Section 20.3 Qualifications

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

Section 20.4 Remuneration and Terms of Appointment

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

ARTICLE 21 INDEMNIFICATION

Section 21.1 Definitions

In this Article 21:

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

Section 21.2 Mandatory Indemnification of Eligible Parties

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

Section 21.3 Permitted Indemnification

Notwithstanding Section 21.2 and subject to any restrictions in the BCA, the Company may indemnify any person including directors, officers, employees, agents and representatives of the Company.

Section 21.4 Non-Compliance with BCA

The failure of a director, alternate director or officer of the Company to comply with the BCA or these Articles or, if applicable, any former Articles, does not invalidate any indemnity to which he or she is entitled under this Article 21.

Section 21.5 Company May Purchase Insurance

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

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

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

ARTICLE 22 DIVIDENDS

Section 22.1 Payment of Dividends Subject to Special Rights

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

Section 22.2 Declaration of Dividends

Subject to the BCA, the board may from time to time declare and authorize payment of such dividends as it may consider appropriate.

Section 22.3 No Notice Required

The board need not give notice to any shareholder of any declaration under Section 22.2.

Section 22.4 Record Date

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

Section 22.5 Manner of Paying Dividend

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

Section 22.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Section 22.5, the board may settle the difficulty as it deems advisable, and, in particular, may:

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

Section 22.7 When Dividend Payable

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

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

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

Section 22.9 Receipt by Joint Shareholders

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

Section 22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

Section 22.11 Fractional Dividends

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

Section 22.12 Payment of Dividends

Any dividend or other distribution payable in respect of shares will be paid by cheque or by electronic means or by such other method as the directors may determine. The payment will be made to or to the order of each registered holder of shares in respect of which the payment is to be made. Cheques will be sent to the registered address of the shareholder, unless the shareholder otherwise directs. In the case of joint holders, the payment will be made to the order of all such joint holders and, if applicable, sent to them at the registered address of the joint shareholder who is first named on the central securities register, unless such joint holders otherwise direct. The sending of the cheque or the sending of the payment by electronic means or the sending of the payment by a method determined by the

directors in an amount equal to the dividend or other distribution to be paid less any tax that the Company is required to withhold will satisfy and discharge the liability for the payment, unless payment is not made upon presentation, if applicable, or the amount of tax so deducted is not paid to the appropriate taxing authority.

Section 22.13 Capitalization of Retained Earnings or Surplus

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

Section 22.14 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Company. The Company shall not be liable to any person in respect of any dividend which is forfeited to the Company or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

ARTICLE 23 ACCOUNTING RECORDS AND AUDITOR

Section 23.1 Recording of Financial Affairs

The board must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the BCA.

Section 23.2 Inspection of Accounting Records

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

Section 23.3 Remuneration of Auditor

The board may set the remuneration of the auditor of the Company.

ARTICLE 24 NOTICES

Section 24.1 Method of Giving Notice

Unless the BCA or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the BCA or these Articles to be sent by or to a person may be sent by any one of the following methods:

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

- (a) for a record delivered to a shareholder, the shareholder's registered address;
 - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (c) in any other case, the delivery address of the intended recipient;
- (3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
 - (4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
 - (5) physical delivery to the intended recipient;
 - (6) creating and providing a record posted on or made available through a general accessible electronic source and providing written notice by any of the foregoing methods as to the availability of such record; or
 - (7) as otherwise permitted by applicable securities legislation.

Section 24.2 Deemed Receipt

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

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Section 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Section 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed;
- (3) e-mailed to a person to the e-mail address provided by that person referred to in Section 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed; and
- (4) delivered in accordance with Section 24.1(6), is deemed to be received by the person on the day such written notice is sent.

Section 24.3 Certificate of Sending

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

Section 24.4 Notice to Joint Shareholders

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

Section 24.5 Notice to Legal Personal Representatives and Trustees

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

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

Section 24.6 Undelivered Notices

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

ARTICLE 25 SEAL

Section 25.1 Who May Attest Seal

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

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

Section 25.2 Sealing Copies

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

Section 25.3 Mechanical Reproduction of Seal

The board may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as the board may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the BCA or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under

Section 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

ARTICLE 26 PROHIBITIONS

Section 26.1 Definitions

In this Article 26:

- (1) **"security"** has the meaning assigned in the *Securities Act*;
- (2) **"transfer restricted security"** means
 - (a) a share of the Company;
 - (b) a security of the Company convertible into shares of the Company; or
 - (c) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the "private issuer" exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the "private issuer" exemption.

Section 26.2 Application

Section 26.3 does not apply to the Company if and for so long as it is a public company.

Section 26.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

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

Dated _____, 2020.

**SIGNATURE AND FULL NAME OF ONE OF THE
DIRECTORS PURSUANT TO S. 302(1)(C) OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**
