



**NOTICE OF MEETING
INFORMATION CIRCULAR
FOR THE
ANNUAL GENERAL AND SPECIAL MEETING
OF
LOS ANDES COPPER LTD.**

**to be held on
September 8, 2020**



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Report to Shareholders

To the Shareholders of Los Andes Copper Ltd.

During the year ended September 30, 2019, Los Andes Copper Ltd. (“Los Andes” or the “Company”) published a Preliminary Economic Assessment (“PEA”) and continued working on the Pre-Feasibility Study (“PFS”).

On June 13, 2019 the Company published the Preliminary Economic Assessment prepared for the Company’s Vizcachitas Project in Chile (the “Vizcachitas Project”) under the National Instrument 43-101 Standards of Disclosure for Mineral Projects. The PEA with an effective date of May 10, 2019 and titled “Preliminary Economic Assessment of the Vizcachitas Project”, was prepared by Tetra Tech. The project considers an open pit mine and concentrator plant that produces copper and molybdenum concentrates. The PEA evaluated three cases with mill throughputs of 55 ktpd, 110 ktpd and 200 ktpd. The 110 ktpd case has been recommended to advance into pre-feasibility. This case not only delivers the best economic results, with an after-tax net present value 8% of US\$ 1.8 billion, an internal rate of return of 20.77% and a payback period of 3.4 years, but also optimizes the mining and technical aspects for a mineral deposit of the size of Vizcachitas.

The highlights of this report are:

- After-Tax NPV 8% of US\$ 1.8 billion and IRR of 20.77% at US\$ 3.00/lb Copper.
- Payback period of 3.4 years from initial operations; 5.4 years from initial construction.
- 45 year mine life.
- 0.53% CuEq average headgrade to mill over first 5 years of operation.
- C1 Cash Cost (net of by-product credits) of US\$ 1.36/lb for first 8 years of operation; US\$ 1.58/lb for LOM.
- 1,284 million tonnes of Measured and Indicated Resources with a 0.45% CuEq grade and 0.40% Cu grade (at 0.25% Cu cut-off grade).

The full Preliminary Economic Assessment report is available on our internet site: <https://www.losandescopper.com/site/assets/files/3479/2019-06-13-pea-vizcachitas.pdf>.

On April 17, 2019 Chile’s Environmental Evaluation Service (Servicio de Evaluacion Ambiental - “SEA”) approved the environmental impact statement (Declaración de Impacto Ambiental – “DIA”) for the drill work carried out on the Vizcachitas Project during 2015-2017. All members of the Regional Environmental Committee (Comision de Evaluacion Ambiental), unanimously moved to grant environmental approval for the drilling campaign. More than a dozen governmental agencies then conducted a review of and provided comments on the environmental approval package. The Company provided the studies and reports that addressed each of the observations raised by these agencies (including Agriculture, Health, Environmental Affairs and Water Management, among others), evidencing compliance with Chilean environmental regulations. This process culminated with the receipt of unanimous approval from all the members of the Regional Environmental Committee.

The environmental review process was an opportunity to confirm to all regulatory agencies that the Vizcachitas Project has diligently conducted its operations, with special care being given to environmental and social matters. The regulators’ unanimous approval is a substantial endorsement for the project going forward.

Once the DIA for the 2015-2017 drilling had been approved, a DIA for the pre-feasibility drilling was filed on May 31, 2019 with the SEA.

On April 28, 2020, the Company received unanimous approval from the Regional Environmental Committee (Comision de Evaluacion Ambiental) for drilling to be carried out at the Vizcachitas Project over the next four years. This approval contemplates up to 350 drill holes to be completed on up to 124 platforms over the next four years. The approval covers the required drilling to complete the Pre-Feasibility Study. Additionally, it covers further exploration drilling and other drilling that the project may require as it progresses.

During 2019 and 2020, the Company has been working on the PFS for the Vizcachitas Project. The areas of work being advanced include, processing, tailings facility, infrastructure, geology, mine plan, environment and social and community engagement.

The current COVID-19 situation, while delaying some of the metallurgical test work and field work, has not delayed the progress of the main engineering study. All employees and subcontractors are working from home where possible and only a small group of individuals are working to prepare samples in the Company's Santiago core storage area.

The highlights of the continuing work on the PFS are:

- Test work has shown that a HPGR circuit is feasible for the project and could provide enhanced project economics with lower energy consumption and increased operating flexibility.
- The mineral is amenable to filtering and dry-stack tailings. This change would significantly reduce the project's water consumption, footprint and environmental impact.
- Due to the reduced footprint required for dry stacked tailings, it is possible to have all project infrastructure in one operating complex in the Rocin Valley. The PEA outlined infrastructure in both the Rocin Valley and the Chalaco Valley.

Since September 30, 2019, the Company has raised funds from two net smelter return ("NSR") royalty agreements. On January 27, 2020, the Company announced an NSR royalty agreement with Resource Capital Fund VI L.P ("RCF VI") for a total consideration of US\$8 million, payable in tranches (the "First NSR"). An initial US\$1.5 million was paid by RCF VI on closing and registration of documents in Chile. The remaining US\$6.5 million is being paid in four equal quarterly installments.

The First NSR was calculated over the sale of all locatable minerals produced from the San Jose 1/3000 exploitation concession within the Vizcachitas Project. Under the First NSR, RCF VI will receive 0.98% NSR for open pit operations and 0.49% NSR for underground operations.

Following this transaction, the overall NSR level for the San Jose Concession and for the other concessions covering the mineral resources of the Vizcachitas Project is 2.00% for the open pit operations and 1.00% for the underground operations. The economic model presented in the Company's PEA already includes an NSR level of 2.00% for the open pit operations and 1.00% for the underground operations for all mineral resources.

On June 25, 2020, a second NSR agreement (the "Second NSR") with RCF VI was announced for a total consideration of US\$14 million. This Second NSR is calculated over the sale of all locatable minerals produced from the Santa Teresa 1/60, Santa Maria 1/60 and San Cayetano 1/20 exploitation concessions (the "Concessions") within the Vizcachitas Project. Under the Second NSR, RCF VI will receive a 2.00% NSR for open pit operations and a 1.00% NSR for underground operations. RCF VI will pay US\$9 million in instalments and an additional contingent payment of up to US\$5 million by RCF (the "Contingent Royalty Payment") if RCF VI were to sell the Second NSR prior to commencement of commercial production. Upon commencement of commercial production, any unpaid balance of the US\$5 million Contingent Royalty Payment will be deducted from the initial royalties payable. The funds from the Second NSR will be used primarily to fund the purchase of an existing NSR previously granted on substantially the same mining concessions as those covering the Second NSR.

On February 3, 2020, the Company announced the appointment of Harry Nijjar, CPA, CMA, as Chief Financial Officer. Mr. Nijjar is a Managing Director of Malaspina Consultants Inc., a private company that provides accounting and administrative services to Canadian public companies.

On July 30, 2020, the Company announced the retirement of Mr. Jose Tomas Letelier as Director of Corporate Affairs and Sustainability and the appointment of Mr. Ignacio Melero as Director of Corporate Affairs and Sustainability. Mr. Melero has vast experience in corporate and community affairs, having held several responsibilities at CMPC, one of Chile's largest industrial and forestry corporations.

I would like to thank the Board of Directors for their continued guidance and you, the shareholders, for your continued support.

"Antony Amberg"

Antony Amberg

President

August 4, 2020



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NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the 2020 Annual General and Special Meeting (the "*Meeting*") of the shareholders of Los Andes Copper Ltd. (the "*Company*") will be held at Bentall 5 Suite 2300, 550 Burrard Street, Vancouver, British Columbia, Canada V6C 2B5 on Tuesday, September 8, 2020, at 10:00 a.m. (Pacific Time) for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company for the financial year ended September 30, 2019 together with the report of the auditors of the Company thereon;
2. To determine the number of directors at five (5) and to elect the directors;
3. To appoint the auditor for the ensuing year and to authorize the directors to fix the remuneration of the auditor;
4. To pass an ordinary resolution ratifying and approving the Company's stock option plan, and reserving for the grant of options of up to 10% of the issued and outstanding shares of the Company at the time of any stock option grant, as more particularly described in the accompanying information circular;
5. To consider and, if thought fit, to pass, with or without amendment, a special resolution approving the new Articles of the Company substantially in the form attached to the accompanying Information Circular as Schedule "B", as more particularly described in the accompanying information circular; and
6. To transact any other business that may properly come before the Meeting and any adjournment thereof.

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Company's employees, shareholders are strongly encouraged to vote on the matters before the Meeting by proxy rather attend the meeting in person. Accordingly, participants are encouraged to vote on the matters before the meeting by proxy and to join the annual meeting by teleconference. To access the meeting by teleconference, dial toll free at 1-866-201-0079, Access Code: 099084#.

Accompanying this Notice are (i) an information circular; (ii) a form of proxy or voting instruction form ("*VIF*"); and (iii) a financial statement request form. The accompanying information circular provides information relating to the matters to be addressed at the meeting and is incorporated into this Notice.

A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxyholder to attend and vote in his stead. If you are unable to attend the Meeting or any adjournment thereof in person, please read the notes (the "*Notes*") accompanying the form of proxy enclosed herewith and then complete and return the proxy within the time set out in the Notes. The enclosed form of proxy is solicited by management but, as set out in the Notes, you may amend it if you so desire by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting. Please advise the Company of any change in your address.

DATED at Vancouver, British Columbia, on this 4th day of August, 2020.

BY ORDER OF THE BOARD OF DIRECTORS OF

LOS ANDES COPPER LTD.

"Antony Amberg"
Antony Amberg
President & CEO



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INFORMATION CIRCULAR
(Containing information as at August 4, 2020)

GENERAL PROXY INFORMATION

Solicitation of Proxies

This information circular (the "*Information Circular*") is furnished in connection with the solicitation of proxies (each a "*Proxy*") by the management of Los Andes Copper Ltd. (the "*Company*") for use at the 2020 Annual General and Special Meeting (the "*Meeting*") of shareholders of the Company to be held at the time and place and for the purposes set out in the Notice of Meeting distributed with this Information Circular. No director of the Company has informed management that he intends to oppose any action intended to be taken by management at the Meeting.

In light of ongoing concerns related to the spread of COVID-19, and in order to mitigate potential risks to the health and safety of the Company's employees, shareholders are strongly encouraged to vote on the matters before the Meeting by proxy rather attend the meeting in person. Accordingly, participants are encouraged to vote on the matters before the meeting by proxy and to join the annual meeting by teleconference. To access the meeting by teleconference, dial toll free at 1-866-201-0079, Access Code: 099084#.

The solicitation of Proxies will be primarily by mail, but Proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company at nominal cost. In accordance with National Instrument 54-101 of the Canadian Securities Administrators ("*National Instrument 54-101*"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the common shares in the capital of the Company (the "*Shares*") held of record by such persons and the Company may reimburse such persons for reasonable fees and disbursements incurred by them in so doing. All costs of this solicitation will be borne by the Company.

Appointment of Proxyholders

A shareholder entitled to vote at the Meeting may by means of a Proxy appoint a proxyholder or one or more alternate proxyholders, who need not be shareholders, to attend and act at the Meeting for the shareholder on the shareholder's behalf.

The individuals named in the accompanying form of Proxy are directors and/or officers of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting has the right to do so, either by striking out the names of management's nominees and inserting such person's name in the blank space provided in the form of Proxy or by completing another form of Proxy.** Such a shareholder should notify the nominee of his or her appointment, obtain his or her consent to act as proxy and instruct him or her on how the shareholder's Shares are to be voted. In any case, the form of Proxy should be dated and executed by the shareholder or his/her attorney authorized in writing, or if the shareholder is a corporation, under its corporate seal, or by an officer or attorney thereof duly authorized.

A Proxy will not be valid for the Meeting or any adjournment thereof unless the completed form of Proxy is delivered, by mail, by hand or by fax, to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 Fax number: (within North America) 1-866-249-7775 (outside North America) 416-263-9524, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of the Meeting or the

adjournment thereof at which the Proxy is to be used. A Shareholder may also follow the instructions on the form of proxy to vote by telephone or internet.

Revocability of Proxies

In addition to revocation in any other manner permitted by law, a shareholder who has given a Proxy may revoke it by either executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the shareholder or the shareholder's authorized attorney in writing; or, if the shareholder is a company, under its corporate seal by an officer or attorney duly authorized; and by depositing the Proxy bearing a later date with Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, that precedes any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law. In addition, a Proxy may be revoked by the shareholder personally attending the Meeting and voting the shareholder's Shares. A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

Exercise of discretion

On a poll, the nominees named in the accompanying form of Proxy will vote or withhold from voting the Shares represented thereby in accordance with the instructions of the **shareholder on any ballot that may be called for. If a shareholder specifies a choice with respect to any matter to be acted upon, such shareholder's Shares will be voted accordingly. The Proxy will confer discretionary authority on the nominees named therein with respect to each matter or group of matters identified therein for which a choice is not specified other than the appointment of the auditor and the election of directors, any amendment to or variation of any matter identified therein and any other matter that properly comes before the Meeting.**

In respect of a matter for which a choice is not specified or where both choices have been specified in the Proxy, the nominees named in the accompanying form of Proxy will vote Shares represented by the Proxy at their own discretion for the approval of such matter.

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting each nominee in the accompanying form of Proxy intends to vote thereon in accordance with the nominee's best judgment.

Proxy Voting Options

Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Submitting a Proxy by mail, internet voting or by hand delivery are the only methods by which a shareholder may appoint a person as Proxy other than a director or officer of the Company named on the form of Proxy.

Registered shareholders electing to submit a Proxy must complete, date and sign the form of Proxy. It must then be delivered by mail or by hand to the Company's transfer agent, Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (the "*Transfer Agent*"), not later than 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of the Meeting or the adjournment thereof. A Shareholder may also follow the instructions on the form of proxy to vote by telephone or internet.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders of the Company, as a substantial number of shareholders do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular, collectively, as "*Beneficial Shareholders*") should note that only Proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited; and which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. ("*Broadridge*") in the United States and in Canada. Broadridge typically applies a special sticker to proxy forms, mails those forms to the Beneficial Shareholders and requests the Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge proxy cannot use that proxy to vote Shares directly at the Meeting. That proxy must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting. Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal Proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his or her Shares.

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("*Objecting Beneficial Owners*", or "*OBOs*") and those who do not object to their identity being made known to the issuers of the securities they own ("*Non- Objecting Beneficial Owners*", or "*NOBOs*"). Subject to the provision of National Instrument 54-101, issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. Pursuant to National Instrument 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Shares on your behalf.

The Company has decided to take advantage of the provisions of National Instrument 54-101 that permit it to deliver proxy related materials directly to its NOBOs. By choosing to send these materials to you directly, the Company (and not the intermediary holding Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result if you are a NOBO of the Company, you can expect to receive a scannable Voting Instruction Form ("*VIF*") from the Transfer Agent. Please complete and return the VIF to the Transfer Agent in the envelope provided or by facsimile. The Transfer Agent will tabulate the results of the VIF's received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares represented by the VIFs they receive.

The Company is not sending its proxy-related materials to the registered shareholders or Beneficial Shareholders using "notice and access", as defined in National Instrument 54-101.

Management of the Company intends to pay for intermediaries to forward to OBOs under National Instrument 54-101 the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*; accordingly, OBOs will receive said materials.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, or any proposed nominee for election as a director of the Company, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors, and the approval of the Company's Stock Option Plan, as may be set out herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company has set the close of business on August 4, 2020 as the record date (the "*Record Date*") for determination of persons entitled to receive notice of the Meeting. Only the registered holders of Shares, and those Beneficial Shareholders entitled to receive notice pursuant to National Instrument 54-101 through their intermediaries, as at that date, are entitled to receive notice of and to vote

at the Meeting unless after that date a shareholder of record transfers his or her Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he or she owns such Shares, requests at least 10 calendar days prior to the Meeting that the transferee's name be included in the list of shareholders entitled to vote, in which case such transferee is entitled to vote such Shares at the Meeting.

The Company is authorized to issue an unlimited number of Shares. As of the Record Date and date hereof, 271,658,136 Shares are issued and outstanding, each carrying the right to one vote. The Company has no other class of voting securities and no group of shareholders has the right to elect a specified number of directors. There are no cumulative or similar voting rights attached to the Shares.

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein, other than the two-thirds of affirmative votes required for the New Articles Resolution (as defined below). If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, these nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Share registered in that shareholder's name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare Investor Services Inc. and will be available at the Meeting. Shareholders represented by proxy holders are not entitled to vote on a show of hands.

To the knowledge of the directors and executive officers of the Company, only the following shareholder beneficially owns Shares carrying 10% or more of the voting rights attached to any class of voting securities of the Company:

Shareholder Name	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly	Percentage of Outstanding Shares
Turnbrook Mining Limited ⁽¹⁾	143,736,144	52.91%

Note:

(1) Eduardo Covarrubias, Francisco Covarrubias and Paul Miquel, all of whom are directors of the Company, are also directors of Turnbrook Mining Limited ("Turnbrook Mining"). Two private companies of which Eduardo Covarrubias and Francisco Covarrubias are minority shareholders collectively hold approximately 65% of the shares of Turnbrook Mining. Paul Miquel is a shareholder of a private company which is another minority shareholder of Turnbrook Mining.

ELECTION OF DIRECTORS

The directors of the Company are elected annually and hold office until the next annual general meeting of the shareholders or until their successors in office are duly elected or appointed. The term of office of each director expires at the Meeting.

Shareholder approval will be sought to fix the number of directors of the Company at five (5).

The persons named below will be presented for election at the Meeting as management's nominees and the persons proposed by management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of management's nominees for election as a director (a "proposed director"), the province or state, as applicable, and country of residence, their principal occupations, the date each first became a director of the Company, and the number of Shares beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof. The table also sets out the members of the Company's Audit Committee. Management does not contemplate that any of these nominees will be unable to serve as a director.

Name, Province or State and Country of residence and position	Principal occupation or employment	Director Since	Number of shares beneficially owned, or controlled or directed, directly or indirectly ⁽⁴⁾
Eduardo Covarrubias Santiago, Chile Director	Entrepreneur	December 21, 2010	Nil ⁽¹⁾
Fernando Porcile Santiago, Chile Chairman & Director	Self Employed Consultant	May 21, 2019	Nil
Francis O'Kelly ⁽²⁾⁽³⁾ Santiago, Chile Director	Self Employed Consultant	May 9, 2007	69,695
Francisco Covarrubias ⁽¹⁾⁽³⁾ Santiago, Chile Director	Entrepreneur, Independent Consultant	September 9, 2011	69,695
Paul Miquel ⁽⁶⁾ Santiago, Chile Director	Country Head, Chile, Peru and Colombia - Société Générale,	May 3, 2013	942,567 ⁽⁷⁾

Notes:

- (1) Mr. Covarrubias is a minority shareholder of two private companies which collectively hold approximately 65% of the shares of Turnbrook Mining. Turnbrook Mining holds 52.9% of the issued and outstanding Shares.
- (2) Chairman of the Audit Committee.
- (3) Member of the Audit Committee. Gonzalo Delaveau is currently a member of the Audit Committee but he is not being nominated for re-election as a director.
- (4) The information as to the number of shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (5) 1,277,098 of these Shares are owned indirectly.
- (6) Mr. Miquel is a shareholder of a private company which holds a minority interest in the shares of Turnbrook Mining. Turnbrook Mining holds 52.9% of the issued and outstanding Shares.
- (7) 879,690 of these Shares are owned indirectly.

To the knowledge of the Company, none of the proposed directors of the Company (or any of their personal holding companies):

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Company, that:
 - (i) was subject of a cease trade order 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 while that person was acting in the capacity as director, executive officer or chief financial officer; or
 - (ii) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

None of the proposed directors (or any of their personal holding companies) 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 whether to vote for a proposed director.

None of the proposed directors of the Company hold directorships in other reporting issuers.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Information Circular, a “Named Executive Officer”, or “NEO”, means each of the following individuals:

- (a) each individual who, during any part of the Company’s financial year ended September 30, 2019, served as chief executive officer (“CEO”) of the Company, including an individual performing functions similar to a CEO;
- (b) each individual who, during any part of the Company’s financial year ended September 30, 2019, served as chief financial officer (“CFO”) of the Company, including an individual performing functions similar to a CFO;
- (c) the most highly compensated executive officers of the Company and its subsidiaries, other than the individuals identified in paragraphs (a) and (b), as at September 30, 2019 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for the financial year ended September 30, 2019; and
- (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, as at September 30, 2019.

The Company had two Named Executive Officers for the year ended September 30, 2019: Antony Amberg, the Company’s President and CEO; and Aurora Davidson, the Company’s former CFO. Harry Nijjar was appointed as the Company’s CFO on February 1, 2020. The Summary Compensation table below provides information for the two most recently completed financial years ended September 30, 2019 and September 30, 2018 regarding compensation paid to or earned by each of the Named Executive Officers.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table details all compensation paid to the Corporation’s Named Executive Officers and directors for the fiscal years ended September 30, 2019 and September 30, 2018.

Table of Compensation Excluding Compensation Securities							
Name and position	Year⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Antony Amberg President and CEO	2019	238,901 ⁽²⁾	Nil	Nil	Nil	Nil	238,901
	2018	231,011 ⁽³⁾	Nil	Nil	Nil	Nil	231,011
Aurora Davidson Former CFO ⁽⁴⁾	2019	42,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	42,000
	2018	42,000 ⁽⁵⁾	Nil	Nil	Nil	Nil	42,000
Eduardo Covarrubias Director	2019	238,812 ⁽⁶⁾	Nil	Nil	Nil	Nil	238,812
	2018	230,721 ⁽⁶⁾	Nil	Nil	Nil	Nil	230,721
Fernando Porcile Chairman and Director ⁽⁷⁾	2019	57,150	Nil	Nil	Nil	Nil	57,150
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Francis O’Kelly Director	2019	20,039 ⁽⁸⁾	Nil	3,417	Nil	Nil	23,456
	2018	Nil	Nil	5,500	Nil	Nil	5,500

Table of Compensation Excluding Compensation Securities							
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Francisco Covarrubias Director	2019	Nil	Nil	6,000	Nil	Nil	6,000
	2018	Nil	Nil	5,500	Nil	Nil	5,500
Paul Miquel Director	2019	Nil	Nil	5,000	Nil	Nil	5,000
	2018	Nil	Nil	5,000	Nil	Nil	5,000
Gonzalo Delaveau Director ⁽⁹⁾	2019	Nil	Nil	6,000	Nil	Nil	6,000
	2018	Nil	Nil	5,000	Nil	Nil	5,000

Notes:

- (1) Financial years ended September 30.
- (2) The Company's subsidiary, Compañía Minera Vizcachitas Holding, paid salaries of \$119,408 paid to Mr. Amberg from October 1, 2018 to September 30, 2019 and \$119,493 in fees for consulting services provided to the Company by Sociedad Cartografica Limitada, a company controlled by Mr. Amberg.
- (3) In 2018, the aggregate amount of \$231,011 is comprised of fees for consulting services provided to the Company by Sociedad Cartografica Limitada and salaries of \$115,275 paid in Chile to Mr. Amberg by the Company's subsidiary, Compañía Minera Vizcachitas Holding.
- (4) Ms. Davidson resigned as CFO on January 31, 2020.
- (5) This amount is comprised of fees for consulting services provided to the Company by Delphis Financial Strategies Inc., a company controlled by Ms. Davidson.
- (6) This amount is comprised of fees for consulting services provided to the Company by Kasheema International Ltd., of which Mr. Covarrubias is the principal.
- (7) Mr. Porcile was appointed a director and Chairman of the Company on May 21, 2019.
- (8) This amount is comprised of fees for consulting services provided to the Company by Mineral Consulting Services Ltd., a company wholly-owned by Mr. O'Kelly.
- (9) Mr. Delaveau has not been nominated for re-election to the Company's Board of Directors.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Company for services provided or to be provided, directly or indirectly, to the Company in the most recently completed financial year.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾⁽²⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security on date of grant (\$)	Closing Price of Security on date at year end (\$)	Expiry Date
Antony Amberg President and CEO ⁽³⁾	Stock options	75,000 options to purchase 75,000 common shares 10.3% ⁽⁴⁾	May 31, 2019	\$0.50	\$0.30	\$0.39	May 31, 2024
Aurora Davidson CFO	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Eduardo Covarrubias Director	Nil	Nil	N/A	N/A	N/A	N/A	N/A
Fernando Porcile Chairman and Director ⁽⁵⁾	Stock options	300,000 options to purchase 300,000 common shares 41.4% ⁽⁶⁾	May 31, 2019	0.50	0.30	0.39	May 31, 2024
Francis O'Kelly	Nil	Nil	NA	N/A	N/A	N/A	N/A

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾⁽²⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security on date of grant (\$)	Closing Price of Security on date at year end (\$)	Expiry Date
Director							
Francisco Covarrubias Director	Nil	Nil	NA	N/A	N/A	N/A	N/A
Paul Miquel Director	Nil	Nil	NA	N/A	N/A	N/A	N/A
Gonzalo Delaveau Director ⁽⁷⁾	Nil	Nil	NA	N/A	N/A	N/A	N/A

Notes:

- (1) Each outstanding stock option of the Company entitles the holder thereof to acquire, upon exercise, one Common Share in the capital of the Company.
- (2) There has been no compensation security that has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year, including the original and modified terms, the effective date, the reason for the modification, and the name of the holder.
- (3) As at September 30, 2019, Karlsson Corporation, a company controlled by Mr. Amberg⁽¹⁾ held 675,000 stock options of the Company entitling it to acquire, upon exercise 675,000 Common Shares of the Company. As of September 30, 2019, 600,000 stock options held by Karlsson Corporation have vested.
- (4) One third (1/3) of these options vest on the three (3) subsequent anniversary dates of the date of grant.
- (5) As at September 30, 2019, Mr. Porcile held 300,000 stock options, of which 100,000 have vested.
- (6) One third (1/3) of these options vested immediately and 1/3 vest on the two (2) subsequent anniversary dates of the date of grant.
- (7) As at September 30, 2019, Aleyval S.A., a company controlled by Mr. Delaveau held 750,000 stock options of the Company entitling it to acquire, upon exercise 750,000 Common Shares in the capital of the Company at \$0.50 per Common Share until September 1, 2020. As of September 30, 2019, all stock options held by Aleyval S.A. have vested.

Exercise of Compensation Securities by Directors and NEOs

No compensation securities were exercised by the Company's Named Executive Officers or directors during the financial year ended September 30, 2019.

Stock Option Plans and Other Incentive Plans

The Board of Directors of the Company (the "Board") has previously adopted the Company's stock option plan effective March 30, 2007, as amended (the "Plan"), which is a "rolling" stock option plan pursuant to which a maximum of 10% of the issued and outstanding Shares are reserved for issuance upon the exercise of incentive stock options ("Options"). The purpose of the Plan is to allow the Company to grant Options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries (each, an "Eligible Optionee") as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such Options is intended to align the interests of such persons with that of the shareholders. Options are exercisable over periods of up to five years as determined by the Board and are required to have an exercise price no less the greater of \$0.10 and the closing market price of the Shares prevailing on the day preceding the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange (the "Exchange").

The Plan contains no vesting requirements but permits the Board to specify a vesting schedule in its discretion. The Plan provides that if a change of control, as defined therein, occurs, all Options shall immediately become vested and may thereupon be exercised in whole or in part by the option holder.

In addition, the Plan provides as follows:

- (a) the number of Shares which may be issued to any one individual pursuant to the exercise of options may not exceed 5% of the issued common shares on a yearly basis;
- (b) the number of Shares which may be issued to any one consultant pursuant to the exercise of options may not exceed 2% of the issued Shares on a yearly basis;
- (c) the number of Shares which may be issued, in the aggregate, to a person conducting investor relations activities may not exceed 2% of the issued Shares on a yearly basis; and

- (d) if an optionee ceases to be an Eligible Optionee, any options held by such Optionee shall expire no later than 90 days from the date such optionee ceases to be an Eligible Optionee (or 30 days if the optionee is engaged in investor relations activities).

The Plan was last approved by the Company's shareholders at the Company's last annual general meeting held on October 10, 2019. Exchange policy requires that all such rolling stock option plans be approved by shareholders on an annual basis, and consequently the Company is seeking shareholder approval of the Plan at the Meeting.

Employment, Consulting and Management Agreements and External Management Companies

Pursuant to a contract made as of the 1st day of April, 2007 (the "*Delphis Contract*") between the Company and Delphis Financial Strategies Inc. ("*Delphis*"), a company in respect of which Ms. Aurora Davidson, the Company's former CFO, is principal, the Company agreed to pay to Delphis a fee of \$3,000 per month plus applicable taxes. Effective January 1, 2013 the monthly fee paid to Delphis was increased to \$3,500 plus applicable taxes. The Delphis Contract contained termination provisions, which may be summarized as follows:

- (a) Delphis could terminate the Delphis Contract by giving notice to the Company at least three months prior to termination;
- (b) The Company could terminate the Delphis Contract immediately upon the death of Ms. Davidson or for cause, upon which Delphis was entitled to the prorated portion of its fee through the date of termination and reimbursement for expenses properly incurred prior to the date of termination plus the prorated portion of its fee for an additional period of one month. Cause is defined as existing if:
 - (i) Delphis commits a breach of any of the material provisions contained in the Delphis Contract;
 - (ii) Delphis is guilty of any misconduct or neglect in the discharge of its duties pursuant to the Delphis Contract;
 - (iii) Delphis becomes bankrupt or makes any arrangements or assignments with its creditors; or
 - (iv) Delphis or Ms. Davidson is convicted of any criminal offence or misdemeanor involving moral turpitude.
- (c) The Company could terminate the Delphis Contract in any other circumstance on six months' notice to Delphis, provided that if Delphis was terminated or voluntarily resigned for "Good Reason" within 90 days following a "Change in Control", the Company would have been required to pay to Delphis an amount equal to twelve months payment of the fee then in effect (the "Control Payment"). "Good Reason" is defined to mean (1) a reduction in the fee, (2) a material reduction in Delphis's responsibilities or duties or (3) a requirement that Delphis relocate its residence from its present location. The Delphis Contract states that a "Change in Control" will be evidenced by the election or appointment of a majority of new directors of the Company or the acquisition by any person or by any person and such person's associates or related bodies corporate, as such terms are defined in the *Securities Act* (British Columbia), and whether directly or indirectly, of shares of the Company which, when added to all other shares of the Company at the time held by such person and such person's associates and related bodies corporate, totals for the first time fifty percent (50%) or more of the outstanding shares of the Company. The Delphis Contract further provided that the Company was not required to make the Control Payment to Delphis if, after a Change in Control, Delphis was offered a reasonably equivalent position with the surviving corporation and did not accept such position.

The Delphis Contract was subsequently terminated effective January 31, 2020.

The Company's subsidiary, Vizcachitas Ltd. ("*VL*"), and Kasheema International Ltd. ("*Kasheema*"), a company in respect of which Mr. Eduardo Covarrubias ("*Covarrubias*") is the principal, entered into a contract as of January 17, 2011 (the "*Kasheema Contract*") which provided for a fee of US \$10,000 plus any applicable taxes per month. The Kasheema Contract was amended as of July 20, 2012 to provide for a fee of US \$15,000 plus any applicable taxes per month, and contains termination provisions which may be summarized as follows:

- (a) VL or Kasheema may terminate the Kasheema Contract by giving notice to the other party at least two months prior to termination; and
- (b) VL may terminate the Kasheema Contract immediately upon the death of Covarrubias or for cause, upon which Kasheema is entitled to reimbursement for expenses properly incurred prior to the date of termination. "Cause" is defined as existing if:
 - (i) Kasheema commits a breach of any of the material provisions contained in the Kasheema Contract;
 - (ii) Kasheema is guilty of any misconduct or neglect in the discharge of its duties pursuant to the Kasheema Contract;

- (iii) Kasheema becomes bankrupt or makes any arrangements or assignments with its creditors; or
- (iv) Kasheema or Covarrubias is convicted of any criminal offence or misdemeanor involving moral turpitude.

Pursuant to a contract made as of the 1st day of January 2017 (the "*SCL Contract*") between the Company and Sociedad Cartografica Limitada ("*SCL*"), a company in respect of which Mr. Antony Amberg is principal, the Company agreed to pay to SCL a fee of US\$7,500 per month plus applicable taxes. The SCL Contract contains termination provisions, which may be summarized as follows:

- a) Either party may terminate the SCL Contract by giving notice to the other party at sixty days prior to the termination date;
- b) The Company may terminate the SCL Contract immediately upon the death of Mr. Amberg or for cause, provided that if terminated for death or for cause, Mr. Amberg will be entitled to the reimbursement for expenses properly incurred prior to the date of termination. Cause is defined as existing if:
 - i) SCL commits a breach of any of the material provisions contained in the SCL Contract;
 - ii) SCL is guilty of any misconduct or neglect in the discharge of its duties pursuant to the SCL Contract;
 - iii) SCL becomes bankrupt or makes any arrangements or assignments with its creditors; or
 - iv) SCL or Mr. Amberg is convicted of any criminal offence or misdemeanor involving moral turpitude.

The SCL Contract superseded a contract between the Company and Karlsson Corporation, a company in respect of which Mr. Antony Amberg was principal, with essentially the same terms and conditions as the SCL Contract.

Pursuant to a contract made as of the 21st day of May, 2019 (the "*Porcile Contract*") between the Company and Fernando Porcile, the Company agreed to pay Mr. Porcile US\$10,000 per month as well as issue a total of 300,000 incentive stock options to Mr. Porcile for certain independent consulting services to be provided on a part-time basis.

- a) Either party may terminate the Porcile Contract by giving one month's written notice to the other party;
- b) The Company may terminate the Porcile Contract without notice if Mr. Porcile:
 - i) Is guilty of dishonest, corruption, bribery or other criminal offences;
 - ii) Is guilty of conduct detrimental to the business of the Company;
 - iii) Materially fails to carry out the services and duties to be performed by him pursuant to the provisions of the Porcile Contract; or
 - iv) Is unable to perform substantially all of his duties for a period of six months or more or for periods collectively exceeding six months in any twelve month period.

The Company shall have no liability to Mr. Porcile for fees, or any form of compensation for termination, other than for fees that are owing (but unpaid) at the time of termination for services provided by Mr. Porcile during the term.

Pursuant to a contract made as of the 1st day of May, 2019 (the "*O'Kelly Contract*") between the Company and Francis O'Kelly, the Company agreed to pay Mr. O'Kelly US\$2,500 per month plus reimbursements for certain independent consulting services to be provided on a part-time basis for a period commencing on May 1, 2019 and expiring on October 31, 2019, which may be renewed at the option of the Company by giving 30 days written notice prior to the expiry of the initial term.

- a) Either party may terminate the O'Kelly Contract, at any time without cause, by giving 30 days' written notice to the other party;
- b) The Company may terminate the O'Kelly Contract without notice if Mr. O'Kelly:
 - i) Is guilty of dishonest, corruption, bribery or other criminal offences;
 - ii) Is guilty of conduct detrimental to the business of the Company; or
 - iii) Materially fails to carry out the services and duties to be performed by him pursuant to the provisions of the O'Kelly Contract; or

The Company shall have no liability to Mr. O’Kelly for fees, or any form of compensation for termination, other than for fees that are owing (but unpaid) at the time of termination for services provided by Mr. O’Kelly during the term.

Pension Plan Benefits

The Company has no pension plan arrangements or benefits with respect to any of its NEOs, directors or employees.

Oversight and Description of Named Executive Officer and Director Compensation

The compensation for the Company’s Named Executive Officers and for its directors are determined by the Board as a whole. The Board evaluates the consulting fees paid to its Named Executive Officers on a regular basis, and, in such evaluation, compares the fees charged the Named Executive Officers against the rates of other consultants that provide similar services. A peer group is not used to determine compensation.

Other than the compensation disclosed above under “Director and Named Executive Officer Compensation, Excluding Compensation Securities” and “Employment, Consulting and Management Agreements and External Management Companies”, no additional compensation was paid to the Named Executive Officers during the year ended September 30, 2019. None of such compensation is tied to any performance criteria or goals.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes relevant information as of September 30, 2019 with respect to compensation plans under which equity securities are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	2,150,000	\$0.50	25,015,814
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
TOTAL	2,150,000	\$0.50	25,015,814

Note:

- (1) The Company adopted the Plan, being a “rolling” incentive stock option plan which provides that the Board may grant up to ten percent (10%) of the total number of common shares issued and outstanding at the date of the stock option grant. For significant terms of the plan see “Stock Option Plans and Other Incentive Plans” and “Particulars of Matters to be Acted Upon at the Meeting – Annual Approval of Stock Option Plan”.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the financial year ended September 30, 2019 and as at the date hereof, no director, executive officer, proposed nominee for director or employee of the Company or any associate or affiliate of any of them has been indebted to the Company either pursuant to an employee stock purchase plan or otherwise.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than disclosed below and herein, none of the directors or executive officers of the Company, nor any proposed nominee for election as a director of the Company, nor any person who beneficially owns, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all of the outstanding Shares, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, in any transactions since the commencement of the Company’s most recently completed financial year, or in any proposed transaction which, in either case, has or will materially affect the Company.

On December 12, 2019, the Company entered into a net smelter returns royalty agreement with RCF VI CAD LLC ("RCF") pursuant to which the Company granted a royalty (the "Royalty") to RCF calculated over the sale of all locatable minerals produced from the San Jose 1/3000 exploitation concession (the "San Jose Concession") that forms part of the Company's Vizcachitas Project in Chile (the "Vizcachitas Project"). Under the Royalty, RCF will receive 0.98% NSR for open pit operations and 0.49% NSR for underground operations. The Royalty was sold to RCF for a total consideration of US\$8 million, payable in tranches. The financing was primarily used to fund a prefeasibility study for the Vizcachitas Project and to prepare a baseline for the environmental approval package.

On June 25, 2020 the Company sold an additional royalty (the "Additional Royalty") to RCF for a total consideration of US\$14 million (the "Royalty Purchase Price") pursuant to a royalty purchase agreement dated May 27, 2020 (the "Agreement"). Under the Additional Royalty, RCF will receive a 2.00% NSR for open pit operations and a 1.00% NSR for underground operations. The Additional Royalty is calculated over the sale of all locatable minerals produced from the Santa Teresa 1/60, Santa Maria 1/60 and San Cayetano 1/20 exploitation concessions (the "Concessions") that form part of the Company's Vizcachitas Project. RCF is to pay US\$9 million for the Additional Royalty in instalments and an additional contingent payment of up to US\$5 million (the "Contingent Royalty Payment") if RCF were to sell the Additional Royalty prior to commencement of commercial production. Upon commencement of commercial production, any unpaid balance of the US\$5 million Contingent Royalty Payment will be deducted from the initial royalties payable.

RCF is an affiliate of Resource Capital Fund VI L.P. ("RCF VI"), which is a private investment fund that holds 26,800,000 (9.87%) common shares of the Company and share purchase warrants (the "Warrants") entitling RCF VI to purchase an additional 13,400,000 common shares of the Company. Assuming the exercise of all of the Warrants held by RCF VI, an aggregate of 40,200,000 common shares of the Company would be owned and controlled by RCF VI, representing approximately 14.8% of the Company's issued and outstanding common shares on a partially-diluted basis.

APPOINTMENT OF AUDITOR

DeVisser Gray LLP, Chartered Professional Accountants, of Vancouver, British Columbia are the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the appointment of DeVisser Gray LLP, Chartered Professional Accountants, as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

MANAGEMENT CONTRACTS

Except as set out below, there are no management functions of the Company or any of its subsidiaries which are, to any substantial degree, performed other than by the directors or executive officers of the Company.

Under the SCL Contract between the Company and SCL, dated January 1, 2017, a company in respect of which Mr. Antony Amberg is principal, the Company has agreed to pay to SCL a fee of US\$7,500 per month plus applicable taxes.

The Company incurred \$42,000 in consulting fees payable to Delphis, a company controlled by Aurora Davidson, former Chief Financial Officer of the Company, for financial and management consulting services provided to the Company from October 1, 2018 to September 30, 2019.

The Company incurred \$238,812 in consulting fees payable to Kasheema International Ltd., a company of which Eduardo Covarrubias, a director of the Company, is the principal, for business consulting services provided to the Company from October 1, 2018 to September 30, 2019.

AUDIT COMMITTEE

Mandate of the Audit Committee

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Audit Committee is also responsible for monitoring compliance with applicable laws and regulations and the systems of internal controls. The Audit Committee has the authority to retain special legal, accounting or other consultants to advise the Audit Committee. The Audit Committee may request any director, officer or employee of the Company, or the Company's outside counsel or independent auditor, to attend a meeting of the Audit Committee or to meet with any members of,

or consultants to, the Audit Committee. The Board has adopted an Audit Committee Charter, a full copy of which is attached to this information circular as Schedule "A".

Operation, Composition, Appointments, Compensation and Meetings of the Audit Committee

The Audit Committee reports to the Board. The full Board is kept informed of the Audit Committee's activities by a report following each Audit Committee meeting.

The Company's Audit Committee is presently comprised of Francis O'Kelly (Chairman), Francisco Covarrubias and Gonzalo Delaveau. Based upon the test for independence set forth in section 1.5 of National Instrument 52-110 Audit Committees ("*NI 52-110*"), Messrs. Delaveau, Covarrubias and O'Kelly are non-independent directors. Messrs. O'Kelly, Delaveau and Covarrubias are "financially literate", meaning that they are able to read and understand the Company's financial statements and to understand the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Audit Committee fulfills the requirements of Part 6 of NI 52-110 as it consists of not less than three Directors as determined by the Board, every member is a director of the Company and the majority of the members are not executive officers, employees or control persons of the Company or an affiliate of the Company.

Relevant Education and Experience

Mr. Francis O'Kelly is an independent financial and technical consultant based in Santiago Chile. As a graduate of the Royal School of Mines in London, United Kingdom, Mr. O'Kelly has worked in metalliferous mining throughout the Americas, employed by multinational industry leading companies. Mr. O'Kelly has also served as officer, partner, and director to notable financial institutions and mining companies.

Mr. Gonzalo Delaveau is a lawyer based in Santiago, Chile who has been involved in the mining and energy industry for a number of years. Mr. Delaveau has advised and participated in several mining and energy transactions including, among others, the acquisition of shares of the Company by Turnbrook Corporation and has advised on a number of transactions worldwide involving significant financings and acquisitions by major corporations and financial institutions.

Mr. Francisco Covarrubias has an MBA from the Melbourne Business School, Australia, and has extensive experience in the financial industry.

Members of the Audit Committee are appointed at a meeting of the Board typically held immediately after the Company's annual shareholders' meeting; provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Audit Committee upon ceasing to be a member of the Board. Where a vacancy occurs at any time in the membership of the Audit Committee, it may be filled by the Board.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Because the Company is a "venture issuer" as defined in NI 52-110, the Company is relying on the exemption in section 6.1 of NI 52-110 from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee, in its Committee Charter, has adopted specific policies and procedures regarding independent auditors. The Audit Committee is responsible for approving the fees and other significant compensation to be paid to the independent auditors, and pre-approving any non-audit services that the auditor may provide.

External Auditor Service Fees (By Category)

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

DeVisser Gray LLP, Chartered Professional Accountants, were the external auditors of the Company responsible for the Company's financial statements for the financial year ended September 30, 2019.

The following table charts the external auditors' fees for the two financial years ending September 30 of each 2019 and 2018 by category:

Financial Year Ended	Audit Fees ⁽¹⁾	Audit-related Fees ⁽²⁾	Tax Fees ⁽³⁾	All other Fees ⁽⁴⁾
September 30, 2019	\$28,500	Nil	\$3,150	Nil
September 30, 2018	\$26,500	Nil	\$2,995	Nil

Notes:

- (1) Aggregate audit fees billed by the external auditor in each of the last two financial years.
- (2) Aggregate audit-related fees billed in each of the last two financial years billed for assurances and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under audit fees.
- (3) Aggregate fees billed in each of the last two financial years for professional services rendered for tax compliance, tax advice and tax planning.
- (4) Aggregate fees billed in each of the last two financial years for products and services provided other than the services reported under the three previous columns.

CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 Disclosure of Corporate Governance Practices ("*NI 58-101*") requires reporting issuers to disclose the corporate governance practices, on an annual basis, that they have adopted. The Company's approach to corporate governance is set forth below.

Independence of Members of Board

The Company's Board currently consists of six directors, three of whom are independent based upon the tests for independence set forth in section 1.4 of NI 52-110. Paul Miquel, Gonzalo Delaveau and Francis O'Kelly, are independent. Eduardo Covarrubias and Francisco Covarrubias are not independent because they are each a director of Turnbrook Mining, the Company's majority shareholder, and they are minority shareholders of entities that have a majority interest in Turnbrook Mining. Eduardo Covarrubias and Fernando Porcile are also not independent because they have received in excess of \$75,000 in compensation from the Company within the last three years.

Management Supervision by Board

The size of the Company is such that all the Company's operations are conducted by a small management team, of which the President is also represented on the Board. The Board considers that management is effectively supervised by the directors on an informal basis as the non-management directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management.

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Company's board of directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company; and

3. access to management.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

Ethical Business Conduct

The Board views the encouragement and promotion of a culture of ethical business conduct as good corporate governance and as an integral component to the success of the Company and to being able to meet its responsibilities to shareholders. The Board and management work together to ensure that the Company's operations are carried out in an open and ethical manner.

Nomination of Directors

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mining industry are consulted for possible candidates.

Compensation

The compensation for the Company's Chief Executive Officer and for its directors are determined by the Board as a whole. The Board evaluates the consulting fees paid to its Chief Executive Officer and directors on a regular basis, and, in such evaluation, compares the fees charged the Chief Executive Officer and its directors against the fees charged by chief executive officers and directors of other mineral exploration companies. A peer group is not used to determine compensation.

Other Board Committees

The Company has no committees other than the Audit Committee.

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of directors, the Board has determined that additional committees are not necessary at this stage of the Company's development.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Company's development.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Ratification and Approval of the Stock Option Plan

The Board implemented the Plan effective March 30, 2007, and the Plan was amended by the Board effective January 4, 2014 and again on December 3, 2013. The Plan was approved by the Exchange and was last approved by the shareholders of the Company at the Company's 2019 annual general meeting, and there have been no changes to the Plan since those approvals were obtained. For a description of the Plan, see "Statement of Executive Compensation - Stock Option Plans and Other Incentive Plans" above.

At the Meeting, shareholders will be asked to pass a resolution in the following form:

"RESOLVED as an ordinary resolution, that the Company ratify and approve, subject to regulatory approval, the Company's Stock Option Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding common shares being reserved to any one person on a yearly basis."

The full text of the Plan is available for viewing up to the date of the Meeting at the Company's offices at Suite 800-580 Hornby Street, Vancouver, BC, and will also be available for review at the Meeting. In addition, a copy of the Plan, will be mailed, free of

charge, to any holder of Shares who requests a copy, in writing, from the President of the Company. Any such requests should be mailed to the Company, at its head office, to the attention of the President.

Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote in favour of the above resolutions

The Board recommends that shareholders vote FOR the resolution ratifying and approving the Plan.

Approval of Adoption of New Articles for the Company

From time to time, it is appropriate for a public corporation to review its form of Articles to ensure that they are up to date with the current legislation and standard practices with respect to the management and administration of a reporting issuer. The existing Articles of the Company (the “**Existing Articles**”) have not been amended since they were last updated in March 2006. Accordingly, the Company is proposing to delete its existing Articles in their entirety and replace them with a new set of Articles (the “**New Articles**”). The New Articles will make the Company’s Articles consistent with the current terminology and provisions of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”). A complete copy of the proposed New Articles is attached hereto as Schedule “B”.

Most of the changes in the New Articles are minor in nature and will not affect shareholders or the day-to-day administration of the Company. The following contains a summary of the material differences between the Existing Articles and the New Articles:

Summary of Material Differences between Existing Articles and New Articles

Securities Transfer Act: The Existing Articles were adopted prior to the coming into force of the *Securities Transfer Act* (British Columbia) (the “**STA**”), which Act establishes rules for the transfer of investment securities that reflect international practices and which facilitates the use of an electronic book-based shareholder registry system. The New Articles incorporate a number of non-substantive changes, including the use of the new terminology adopted under the STA, which changes are not discussed in detail here. For full particulars, please refer to the proposed New Articles.

Increased Quorum for Shareholders’ Meetings: The Existing Articles provide that the quorum for the transaction of business at a meeting of Shareholders is one person who, or who represents by proxy, one or more Shareholders who, in the aggregate hold at least 5% of the issued shares entitled to be voted at the meeting. In keeping with best corporate governance practices, the New Articles provide that the quorum for the transaction of business at a meeting of Shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 25% of the issued shares entitled to be voted at the meeting.

Confirmation of Quorum for Directors’ Meetings: The Existing Articles provide that the quorum for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at two directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting. The New Articles provide that the quorum necessary for the transaction of the business of the directors is deemed to be set at a majority of directors or, if the number of directors is set at one, is deemed to be set at one director, and that one director may constitute a meeting.

Removal of Alternate Directors Provisions: The Existing Articles allow for any director to appoint an alternate director to act in his or her place at meetings of the directors or committees of the directors at which the appointing director is not present unless the directors have reasonably disapproved the appointment of such person as an alternate director and have given notice to that effect to his or appointor within a reasonable time after the notice of appointment is received by the Company. The alternate director provisions are rarely relied upon and the ability of a director to appoint an alternate director raises governance concerns. As such, the New Articles do not allow for directors to appoint alternate directors.

Addition of Advance Notice Provisions: The New Articles include provisions requiring advance notice of director nominees from shareholders (the “**Advance Notice Provisions**”). The purpose of the Advance Notice Provisions is to ensure that an orderly nomination process is observed, that Shareholders are well-informed about the identity, intentions and credentials of director nominees and that Shareholders vote in an informed manner after having been afforded reasonable time for appropriate deliberation. Among other things, the Advance Notice Provisions fix a deadline by which shareholders must provide notice to the Company of nominations for election to the Board. The notice must include all information that would be required to be disclosed, under applicable corporate and securities laws, in a dissident proxy circular in connection with the solicitations of proxies for the election of directors relating to the shareholder making the nominations (as if that shareholder were a dissident soliciting proxies) and each person that the shareholder proposes to nominate for election as a director. In addition, the notice must provide information as to the shareholdings of the Shareholder making the nominations, confirmation that the proposed nominees meet the qualifications of directors and residency requirements imposed by corporate law, and confirmation as to whether each

proposed nominee is independent for the purposes of National Instrument 52-110 *Audit Committees*. The deadline by which the notice must be delivered to the Company is set out in the table below.

Meeting Type	Nomination Deadline
Annual meeting of shareholders	Not less than 40 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the annual meeting was made, notice by the nominating Shareholder may be made not later than the close of business on the 10 th day following the Notice Date.
Special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes)	Not later than the close of business on the 15 th day following the date on which the first public announcement of the date of the special meeting of shareholders was made.

The Advance Notice Provisions do not affect nominations made pursuant to shareholder proposals or the requisition of a meeting of shareholders, in each case made in accordance with the provisions of the BCBCA.

At the Meeting, Shareholders will be asked to pass the following special resolution to adopt the New Articles for the Company in replacement of the Existing Articles (the “**New Articles Resolution**”):

“RESOLVED, as a special resolution of the shareholders of the Company, that:

1. The existing Articles of the Company be terminated;
2. The form of Articles presented to the Meeting and attached hereto, be adopted as the Articles of the Company in substitution for, and to the exclusion of, the existing articles of the Company;
3. The board of directors of the Company be authorized, at any time in its absolute discretion, to determine whether or not to proceed with the foregoing resolutions, without further approval, ratification or confirmation by the shareholders of the Company; and
4. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver for and on behalf of the Company, under the corporate seal of the Company or otherwise, all such certificates, instruments, agreements, notices and other documents as in such person’s opinion may be necessary or desirable for the purpose of giving effect to the foregoing resolutions.”

The New Articles Resolution must be approved by at least two-thirds of the votes cast by the Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the New Articles Resolution.

Management of the Company recommends that the shareholders vote in favour of the New Articles Resolution. It is the intention of persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the New Articles Resolution. A full draft of the proposed New Articles is attached as Schedule “B” to this circular.

Other Matters

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Proxy.



ADDITIONAL INFORMATION

Financial information on the Company is provided in the Company's comparative financial statements and management discussion and analysis for the most recently completed financial year ended September 30, 2019. Additional information relating to the Company, including its comparative financial statements and management discussion and analysis, is available on SEDAR at www.sedar.com. Copies of the Company's financial statements and management discussion and analysis may also be obtained upon request from management of the Company at its offices.

The Company's mailing address and business office is located at Suite 880, 580 Hornby Street, Vancouver, BC V6C 3B6 Canada.

SCHEDULE "A"
Audit Committee Charter
(Effective January 27, 2005)

A. Audit Committee Purpose

The Board of Directors of the Corporation has an overall responsibility to oversee the affairs of the Company for the benefit of the shareholders. The Audit Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities. The Audit Committee's primary duties and responsibilities are to:

- Ensure the effectiveness of the overall process of identifying and addressing principal business risk and the adequacy of the related disclosure
- Monitor the integrity of the Company's financial reporting process and systems of internal controls regarding finance, accounting and legal compliance
- Monitor the independence and performance of the Company's independent auditors
- Provide an avenue of communications among the independent auditors, management and the Board of Directors
- Encourage adherence to, and continuous improvement of, the Company's policies, procedures and practices at all levels

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the independent auditors as well as to anyone in the organization. The Audit Committee has the ability to retain, at the Company's expense, special legal, accounting, or other consultants or experts it deems necessary in the performance of its duties.

B. Audit Committee Composition and Meetings

Audit Committee members shall meet the requirements of the TSX-V and MI 52-110. The Audit Committee shall be comprised of three or more directors as determined by the Board, the majority of whom shall be independent non-executive directors, free from any relationship that would interfere with the exercise of his or her independent judgment. All members of the Committee shall have a basic understanding of finance and accounting and be able to read and understand fundamental financial statements, and at least one member of the Committee shall have accounting or related financial expertise.

Audit Committee members shall be appointed by the Board. If the Audit Committee Chair is not designated or present, the members of the Committee may designate a Chair by majority vote of the Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Audit Committee Chair shall prepare and/or approve an agenda in advance of each meeting. The Committee should meet privately in executive session at least annually with management, the independent auditors and as a committee to discuss any matters that the Committee or each of these groups believes should be discussed.

C. Audit Committee Responsibilities and Duties

Review Procedures

1. Gain an understanding of the Company's current areas of greatest financial risk and whether management is managing these effectively.
2. Review the Company's annual audited financial statements and management discussion and analysis prior to filing or distribution. Review should include discussion with management and independent auditors of significant issues regarding accounting principles, practices and judgments.
3. In consultation with management and the independent auditors, consider the integrity of the Company's financial reporting processes and controls. Discuss significant financial risk exposures and the steps management has taken to monitor, control and report such exposures. Review significant findings prepared by the independent auditors together with management's responses.
4. Review with management the Company's quarterly financial results and management discussion and analysis prior to filing or distribution. Discuss any significant changes to the Company's accounting principles and any items required to be communicated by the independent auditors.

Independent Auditors

5. The independent auditors are accountable directly to the Audit Committee. The Audit Committee shall review the independence and performance of the auditors and annually recommend to the Board of Directors the appointment of the independent auditors or approve any discharge of auditors when circumstances warrant.
6. Approve the fees and other significant compensation to be paid to the independent auditors, and pre-approve any non-audit services that the auditor may provide.
7. On an annual basis, the Committee should review and discuss with the independent auditors all significant relationships they have with the Company that could impair the auditor's independence.

8. Review the independent auditors audit plan and engagement letter.
9. Prior to releasing the year-end financial results, discuss the results of the audit with the independent auditors.
10. Consider the independent auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting practices.

Other Audit Committee Responsibilities

11. The Chairman of the Committee will review all disclosure documents to be issued by the Company relating to financial matters, including news releases, annual information forms and information circulars.
12. The Committee will establish a procedure for the: (i) confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters, and (ii) receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.

SCHEDULE "B"

PROPOSED NEW ARTICLES

LOS ANDES COPPER LTD.
(the "Company")

The Company has as its articles the following articles.

Incorporation number: BC0265054

LOS ANDES COPPER LTD.
(the "Company")

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1. Interpretation

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**”, “**directors**” and “**board**” mean the directors or sole director of the Company for the time being;
- (3) “**Business Corporations Act**” means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) “**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;
- (5) “**legal personal representative**” means the personal or other legal representative of a shareholder;
- (6) “**protected purchaser**” has the meaning assigned in the *Securities Transfer Act*;
- (7) “**registered address**” of a shareholder means the shareholder’s address as recorded in the central securities register;
- (8) “**seal**” means the seal of the Company, if any;
- (9) “**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* (British Columbia); 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; and
- (10) “**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.

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

2. Shares and Share Certificates

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

2.1 Authorized Share Structure

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

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

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

2.4 Delivery by Mail

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

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

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

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

2.6 Replacement of Lost, 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 judgment 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 directors.

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.

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 on the 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.

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.

2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

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.

3. Issue of Shares

3.1 Directors Authorized

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

3.2 Commissions and Discounts

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

3.3 Brokerage

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

3.4 Conditions of Issue

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

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

3.5 Share Purchase Warrants and Rights

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

4. Share Registers

4.1 Central Securities Register

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

4.2 Closing Register

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

5. Share Transfers

5.1 Registering Transfers

Subject to the *Business Corporations Act*, a transfer of a share of the Company must not be registered unless the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

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

written instrument of transfer that directs that the transfer of the shares be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

- (3) in the case of a share that is an uncertificated share, a written instrument of transfer that directs that the transfer of the share be registered, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
- (4) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser.

5.2 Form of Instrument of Transfer

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

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

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

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

5.5 Enquiry as to Title Not Required

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

5.6 Transfer Fee

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

6. Transmission of Shares

6.1 Legal Personal Representative Recognized on Death

In 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 directors 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.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of s. 87 of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

7. Purchase of Shares

7.1 Company Authorized to Purchase Shares

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

7.2 Purchase When Insolvent

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

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

7.3 Sale and Voting of Purchased Shares

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

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

8. Borrowing Powers

The Company, if authorized by the directors, may:

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

9. Alterations

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2, the *Business Corporations Act*, 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) 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;
 - (d) 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.
 - (e) alter the identifying name of any of its shares; or
 - (f) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;
- (2) by resolution of the directors, 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.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, 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.

9.3 Change of Name

The Company may by resolution of the directors authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

9.4 Other Alterations

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

10. Meetings of Shareholders

10.1 Annual General Meetings

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

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

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

10.4 Location of Meetings of Shareholders

Subject to the *Business Corporations Act*, a meeting of shareholders may be held in or outside of British Columbia as determined by a resolution of the directors.

10.5 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled

to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

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

10.6 Record Date for Notice

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

- (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.

10.7 Record Date for Voting

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

10.8 Failure to Give Notice and Waiver of Notice

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

10.9 Notice of Special Business at Meetings of Shareholders

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

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

11. Proceedings at Meetings of Shareholders

11.1 Special Business

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

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
 - (a) business relating to the conduct of or voting at the meeting;
 - (b) consideration of any financial statements of the Company presented to the meeting;
 - (c) consideration of any reports of the directors or auditor;
 - (d) the setting or changing of the number of directors;
 - (e) the election or appointment of directors;
 - (f) the appointment of an auditor;
 - (g) the setting of the remuneration of an auditor;
 - (h) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution;
 - (i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds (2/3) of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, and Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 25% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

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

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

11.5 Other Persons May Attend

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

11.6 Requirement of Quorum

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

11.7 Lack of Quorum

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

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

11.8 Lack of Quorum at Succeeding Meeting

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

11.9 Chair

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

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

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present 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 or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

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

11.12 Notice of Adjourned Meeting

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

11.13 Decisions by Show of Hands or Poll

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

11.14 Declaration of Result

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

11.15 Motion Need Not be Seconded

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

11.16 Casting Vote

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

11.17 Manner of Taking Poll

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

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

11.18 Demand for Poll on Adjournment

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

11.19 Chair Must Resolve Dispute

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

11.20 Casting of Votes

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

11.21 No Demand for Poll on Election of Chair

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

11.22 Demand for Poll Not to Prevent Continuance of Meeting

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

11.23 Retention of Ballots and Proxies

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

12. Votes of Shareholders

12.1 Number of Votes by Shareholder or by Shares

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

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

12.2 Votes of Persons in Representative Capacity

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

12.3 Votes by Joint Holders

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

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

12.4 Legal Personal Representatives as Joint Shareholders

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

12.5 Representative of a Corporate Shareholder

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

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

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

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 Article 12.5;

- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (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, or is a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

12.7 Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply, Articles 12.8 to 12.15 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company or any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

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

12.9 Alternate Proxy Holders

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

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

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

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

12.11 Validity of Proxy Vote

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

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

12.12 Form of Proxy

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

[name of company]
(the "Company")

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

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

Signed *[month, day, year]*

[Signature of shareholder]

[Name of shareholder—printed]

12.13 Revocation of Proxy

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

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

12.14 Revocation of Proxy Must Be Signed

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

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

12.15 Chair May Determine Validity of Proxy

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

12.16 Production of Evidence of Authority to Vote

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

13. Directors

13.1 First Directors; Number of Directors

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

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

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a), subject to Article 14.1:

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

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

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

13.7 Special Remuneration for Directors

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

13.8 Gratuity, Pension or Allowance on Retirement of Director

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

14. Election and Removal of Directors

14.1 Election at Annual General Meeting

- (1) At each annual general meeting of the Company all the directors whose term of office expire at such annual general meeting shall cease to hold office immediately before the election of directors at such annual general meeting and the shareholders entitled to vote thereat shall elect to the board of directors, directors as otherwise permitted by any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation as set out below. A retiring director shall be eligible for re-election;
- (2) Each director may be elected for a term of office of one or more years of office as may be specified by ordinary resolution at the time he is elected. In the absence of any such ordinary resolution, a director's term of office shall be one year of office. No director shall be elected for a term of office exceeding five years of office. The shareholders may, by resolution of not less than 3/4 of the votes cast on the resolution vary the term of office of any director; and
- (3) A director elected or appointed to fill a vacancy shall be elected or appointed for a term expiring immediately before the election of directors at the annual general meeting of the Company when the term of the director whose position he is filling would expire.

14.2 Consent to be a Director

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

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

14.3 Failure to Elect or Appoint Directors

If:

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

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

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

14.4 Places of Retiring Directors Not Filled

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

14.5 Directors May Fill Casual Vacancies

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

14.6 Remaining Directors' Power to Act

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

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

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

14.9 Ceasing to be a Director

A director ceases to be a director when:

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

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by a resolution of not less than 3/4 of the votes cast on such resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

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

14.12 Nomination of Directors

- (1) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors of the Company may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
 - (a) by or at the direction of the board, including pursuant to a notice of meeting;

- (b) by or at the direction or request of one or more shareholders pursuant to a “proposal” made in accordance with Division 7 of Part 5 of the *Business Corporations Act* (British Columbia) (the “**Act**”), or a requisition of the shareholders made in accordance with section 167 of the Act; or
 - (c) by any person (a “**Nominating Shareholder**”): (i) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 14.12 and at the close of business on the record date for notice of such meeting, is 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 (ii) who complies with the notice procedures set forth below in this Article 14.12.
- (2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph (3) below) and in proper written form (in accordance with paragraph (4) below) to the Corporate Secretary of the Company at the head office of the Company.
- (3) To be timely, a Nominating Shareholder’s notice to the Corporate Secretary of the Company must be made:
- (a) in the case of an annual meeting of shareholders, not less than 40 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 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 the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The adjournment or postponement of a meeting of shareholders shall result in the commencement of a new time period for the giving of a Nominating Shareholder’s notice in respect of such meeting, which time periods shall be as set out in (a) or (b) above, and which shall be determined based on the date of the adjourned or postponed meeting or the announcement thereof.

- (4) To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary of the Company must set forth:
- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the present principal occupation, business or employment of the person within the preceding 5 years, as well as the name and principal business of any company in which such employment is carried on; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the 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; (v) confirmation that the person meets the qualifications of directors set out in the Act; and (vi) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

- (b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).
- (5) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (6) For purposes of this Article 14.12:
 - (a) **"Applicable Securities Laws"** means the applicable securities legislation of each province and territory of Canada in which the Company is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and
 - (b) **"public announcement"** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- (7) Notwithstanding any other provision of this Article 14.12, notice given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the head office of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
- (8) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 14.12.

15. Powers and Duties of Directors

15.1 Powers of Management

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

15.2 Appointment of Attorney of Company

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

15.3 Remuneration of Auditor

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

16. Interests of Directors and Officers

16.1 Obligation to Account for Profits

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

16.2 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.

16.3 Interested Director Counted in Quorum

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

16.4 Disclosure of Conflict of Interest or Property

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

16.5 Director Holding Other Office in the Company

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

16.6 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.

16.7 Professional Services by Director or Officer

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

16.8 Director or Officer in Other Corporations

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

17. Proceedings of Directors

17.1 Meetings of Directors

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

17.2 Voting at Meetings

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

17.3 Chair of Meetings

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

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors 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.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

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

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, or as provided in Article 17.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required

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

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the directors at which that director is appointed;
- (2) the director has waived notice of the meeting; or
- (3) the director is not, at the time, in the province of British Columbia.

17.8 Meeting Valid Despite Failure to Give Notice

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

17.9 Waiver of Notice of Meetings

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

17.10 Quorum

The quorum necessary for the transaction of the business of the directors is deemed to be set at a majority of directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11 Validity of Acts Where Appointment Defective

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

17.12 Consent Resolutions in Writing

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

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who are entitled to vote on the resolution consent to it in writing.

A consent in writing under this Article may be by signed document, fax, email or any other method of transmitting legibly recorded messages. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

18. Executive and Other Committees

18.1 Appointment and Powers of Executive Committee

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

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

18.2 Appointment and Powers of Other Committees

The directors may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

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

18.3 Obligations of Committees

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must:

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

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (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.

18.5 Committee Meetings

Subject to Article 18.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

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

19. Officers

19.1 Directors May Appoint Officers

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

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

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

19.3 Qualifications

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

19.4 Remuneration and Terms of Appointment

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

20. Indemnification

20.1 Definitions

In this Article 20:

- (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 of the Company (an “**eligible party**”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company:
 - (a) is or may be joined as a party; or
 - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) “expenses” has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons

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

20.4 Non-Compliance with *Business Corporations Act*

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

20.5 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, officer, employee or agent of the Company;
- (2) is or was a 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, 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, or officer of a partnership, trust, joint venture or other unincorporated entity;

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

21. Dividends

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Article 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

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

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

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

21.5 Manner of Paying Dividend

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

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

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

21.7 When Dividend Payable

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

21.8 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.

21.9 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.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 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.

21.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central

securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Retained Earnings or Surplus

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

22. Documents, Records and Reports

22.1 Recording of Financial Affairs

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

22.2 Inspection of Accounting Records

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

23. Notices

23.1 Method of Giving Notice

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

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

- (4) sending the record by email to the email address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient; or
- (6) as otherwise permitted by any securities legislation in any province or territory of Canada or in the federal jurisdiction of the United States or in any states of the United States that is applicable to the Company and all regulations and rules made and promulgated under that legislation and all administrative policy statements, blanket orders and rulings, notices and other administrative directions issued by securities commissions or similar authorities appointed under that legislation.

23.2 Deemed Receipt of Mailing

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

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day (Saturdays, Sundays and holidays excepted) following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and
- (3) emailed to a person to the email address provided by that person referred to in Article 23.1 is deemed to be received by the person to whom it was emailed on the day it was emailed.

23.3 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 addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

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

23.5 Notice to Trustees

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

- (1) mailing the record, addressed to them:
 - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

23.6 Undelivered Notices

If on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Article 23.1 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.

24. Seal

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

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

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the directors.

24.3 Mechanical Reproduction of Seal

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

25. Prohibitions

25.1 Definitions

In this Part 25:

- (1) “**security**” has the meaning assigned in the *Securities Act* (British Columbia);
- (2) “**transfer restricted security**” means:
 - (a) a share of the Company;
 - (b) a security of the Company convertible into shares of the Company;
 - (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.

25.2 Application

Article 25.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

25.3 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 directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.