ARTICLES

Name of Company: **INFLAZYME PHARMACEUTICALS LTD.**
(the "Company")

Incorporation Number: 207662

PART 1 - INTERPRETATION

1.1. Definitions

Without limiting Article 1.2, in these articles, unless the context requires otherwise:

"**adjourned meeting**" means the meeting to which a meeting is adjourned under Article 5.8 or 5.12;

"**board**" and "**directors**" mean the directors or sole director of the Company for the time being;

"**Business Corporations Act**" means the Business Corporations Act, S.B.C. 2002, c.57, and includes its regulations;

"**Interpretation Act**" means the Interpretation Act, R.S.B.C. 1996, c. 238;

"**trustee**", in relation to a shareholder, means the personal or other legal representative of the shareholder, and includes a trustee in bankruptcy of the shareholder.

1.2. *Business Corporations Act* definitions apply

The definitions in the Business Corporations Act apply to these articles.

1.3. Interpretation Act applies

The *Interpretation Act* applies to the interpretation of these articles as if these articles were an enactment.

1.4. Conflict in definitions

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.

1.5. Conflict between articles and legislation

If there is a conflict between these articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

1.6. **Void, illegal or invalid provisions**

If a provision of these articles is in whole or in part void, illegal or invalid, the remaining provisions will be construed and take effect as if every provision or part thereof that so offends had been omitted.

PART 2 - SHARE CAPITAL

2.1. **Directors authorized to issue shares**

The directors may, subject to the rights of the holders of the issued shares of the Company, issue, allot, sell, grant options on 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 that the directors, in their absolute discretion, may determine.

2.2. **Company authorized to purchase shares**

Subject to the special rights and restrictions attached to any class or series of shares, the Company may, if it is authorized to do so by the directors, purchase or otherwise acquire any of its shares.

PART 3 - REGISTRATION OF SHAREHOLDERS AND SHARE CERTIFICATES

3.1. **Company need not recognize unregistered interests**

Except as these Articles otherwise provide, the Company and its directors, officers and agents may treat the registered holder of a share as the absolute owner thereof, and will not, except as required by statute or as ordered by a court of competent jurisdiction, be bound to recognize, even when having notice thereof, any claim to, interest in, or right in respect of a share on the part of any person other than the registered holder.

3.2. **Shares held jointly**

(a) A share held in the names of two or more persons will be deemed to be held jointly.

(b) Except in the case of the personal representatives of, or trustees of the estate of, a deceased shareholder, the Company may refuse to register more than three persons as joint holders of a share.

3.3. **Delivery of share certificate**

(a) Any share certificate to which a shareholder is entitled may be sent to the shareholder by mail and neither the Company nor any agent is liable for any loss to the shareholder because the certificate sent is lost in the mail or stolen.

(b) A certificate for a share registered in the names of two or more persons may be delivered to or as directed by any of them.

3.4. Replacement of worn out or defaced certificate

If the directors are satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit,

(a) order the certificate to be cancelled, and

(b) issue a replacement share certificate.

3.5. Replacement of lost, stolen or destroyed certificate

If a share certificate is lost, stolen or destroyed, a replacement share certificate must be issued to the person entitled to that certificate if the directors receive

(a) proof satisfactory to them that the certificate is lost, stolen or destroyed, and

(b) any indemnity the directors consider adequate.

3.6. 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 certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the surrendered certificate and issue replacement share certificates in accordance with that request.

PART 4 - TRANSFER AND TRANSMISSION OF SHARES AND DEBENTURES

4.1. Consent required for transfer

No shares 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.

4.2. Application

Article 4.1 does not apply to the Company if and for so long as it is a public company.

4.3. Appointment of registrar or transfer agents

For the purposes of countersigning, issuing, registering, transferring, cancelling and certifying the shares and share certificates of the Company, the Company may appoint

(a) a registrar,

(b) one or more transfer agents, one of whom may be the registrar, and

(c) one or more branch transfer agencies and securities registrars both in and outside British Columbia.

4.4. **Form of instrument of transfer**

For the purposes of these Articles, "instrument of transfer" means

(a) such form of transfer as may appear on the back of the share certificate evidencing the share proposed to be transferred, or

(b) such form of separate transfer document as is from time to time in general use or as the board from time to time adopts or permits.

4.5. **Procedure to effect transfers**

A transfer of a share of the Company must not be recorded or registered

(a) unless a duly signed instrument of transfer in respect of the share has been received by the Company and the certificate representing the share to be transferred has been surrendered and cancelled, or

(b) if no certificate has been issued by the Company in respect of the share, unless a duly signed instrument of transfer in respect of the share has been received by the Company.

There must be a separate instrument of transfer for each class or series of share proposed to be transferred.

4.6. **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, if no number is specified, all the shares represented by share certificates deposited with the instrument of transfer,

(a) in the name of the person named as transferee in that instrument of transfer, or

(b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the share certificate is deposited for the purpose of having the transfer registered.

4.7. **Shares held by fiduciaries**

A share may be registered in the name of a person as executor, administrator, guardian, committee, curator or trustee of, or otherwise as fiduciary for, a named person, trust or estate, and

(a) where application is made to issue or transfer a share to a person as a fiduciary, the Company will not be obligated to enquire into the authority of the person as such fiduciary, who will be presumed, as against the Company, to be acting in accordance with such authority unless, in the case of a transfer of a share, the transfer proposed is from the person whose estate or interest is sought to be represented,

(b) in the case of a transfer purporting to be by a fiduciary, including a transfer to the fiduciary in the fiduciary's own right, the Company will not be obligated to enquire into the authority of the fiduciary or the propriety of the transaction or to ascertain whether the transferor continues to hold at the time of transfer the fiduciary office in which the transferor purports to act,

(c) in all cases the Company will be entitled to act on an order of a court of record, wherever constituted or having jurisdiction, in proceedings to which the registered holder appears from the order to have been subject, directing a vesting or declaring the ownership of shares, as evidenced by a copy of the order of the court certified as such in accordance with the practice of the court,

(d) a grant of letters probate or letters of administration or order appointing a trustee, guardian, committee or curator or directing a vesting or declaring the ownership of shares, dated not more than one year before the date on which a copy of the grant or order, certified in accordance with the practice of the authority issuing the grant or order, is received by the Company or its transfer agent, will be deemed to be in full force and effect and not to have been amended, revoked or reversed, unless and until there is delivered to the transfer agent of the Company or, if the Company has no transfer agent, to the records office of the Company

  (i) a certificate of a court of record appearing to have the required jurisdiction, certified in accordance with the practice of such court, that proceedings have been commenced by way of appeal or otherwise to amend, revoke or reserve the grant or order, or

  (ii) a copy of an order of a court of record appearing to have the necessary jurisdiction certified as aforesaid, by which the earlier grant or order is amended, revoked or reversed, and

(e) a certificate of a court of record, certified as aforesaid, and delivered to the transfer agent of the Company or if the Company has no transfer agent, to the records office of the Company, to the effect that a grant or order of that court of the nature described in paragraph (d) remains in full force and effect, and has not been amended, revoked or reversed and that there is not outstanding with respect to the grant or order any proceeding of the nature referred to in subparagraph (d)(i), will create the same presumption as to the validity of the grant or order as though the grant or order bore the same date as the certificate.

4.8. **Refusal to recognize transfers**

The Company or its registrar or transfer agent may refuse to recognize the transfer of a share to an infant, bankrupt or person suffering mental infirmity.

4.9. **Possession of instrument of transfer**

Where a transfer of a share is completed by registration in the central securities register of the Company, the instrument of transfer will be retained by the Company or its transfer agent, but where the Company declines to complete a proposed transfer of a share the instrument of transfer, share certificate and other documentation deposited for the purpose of the transfer will, on demand, be returned to the person depositing them, or other person entitled thereto.

4.10. **Payment of registration fee**

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

4.11. **Shares of a deceased shareholder**

The personal representative of a deceased shareholder (not being one of several joint holders) will be the only person recognized by the Company as having any title to a share registered in the name of the deceased.

4.12. **Death of joint registered holder of shares**

On the death of one of two or more joint registered holders of a share, the survivor or survivors will be the only person or persons recognized by the Company as having any title to or interest in the share.

PART 5 - GENERAL MEETINGS

5.1. **Calling of shareholder meeting**

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

5.2. **Location of Meeting**

A meeting of shareholders may be held in any province of Canada as determined by a resolution of the directors.

5.3. **Electronic Communications**

A meeting of shareholders may be held, and shareholders may participate in meetings and be counted for purposes of determining the quorum at a meeting, by electronic means, provided that:

(a) the directors make available electronic linkages by which shareholders may participate in the meeting;

(b) the shareholders who attend the meeting using electronic linkages are able to communicate with the other meeting participants to the same degree that they could if they were physically present at the meeting location; and

(c) the shareholders who attend the meeting using electronic linkages are provided with a means of casting a vote on a poll with the same degree of confidentiality as the shareholders, if any, who are physically present at the meeting location.

The Company shall not be required to pay any fees or charges incurred by any shareholder in order to attend a meeting using electronic means.

5.4. **Special business**

If a general meeting is to consider special business within the meaning of Article 5.15, the notice of meeting must

(a) state the general nature of the special business, and

(b) 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

(i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified by the notice, and

(ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

5.5. **Quorum**

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is 2 persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 1/20 of the issued shares entitled to be voted at the meeting.

5.6. **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.

5.7. **Other persons may attend**

The directors, the president, if any, the secretary, if any, and any lawyer or auditor for the Company are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxyholder entitled to vote at the meeting.

5.8. **Lack of quorum**

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

(a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved, and

(b) 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.

5.9. **Lack of quorum at succeeding meeting**

If, at the meeting to which the first meeting referred to in Article 5.8 was adjourned, a quorum is not present within half an hour from the time set for the holding of the meeting, the persons present and being, or representing by proxy, shareholders entitled to attend and vote at the meeting constitute a quorum.

5.10. **Appointment of chair**

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

(a) the chair of the board, if any;

(b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

5.11. **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 present in person or by proxy must choose any person present at the meeting to chair the meeting.

5.12. **Adjournment of meeting**

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

5.13. **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.

5.14. **Rules of order**

The Company may from time to time by ordinary resolution adopt any Rules of Order which will, in so far as not inconsistent with the *Business Corporations Act* or these Articles, govern the conduct of general meetings.

5.15. **Special business**

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

(a) 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;

(b) at an annual general meeting, all business is special business except for the following:

(i) business relating to the conduct of, or voting at, the meeting;

(ii) consideration of any financial statements of the Company presented to the meeting;

(iii) consideration of any reports of the directors or auditor;

(iv) the setting or changing of the number of directors;

(v) the election or appointment of directors;

(vi) the appointment of an auditor;

(vii) the setting of the remuneration of an auditor; and

(viii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution.

5.16. **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.

PART 6 - VOTING AT GENERAL MEETINGS

6.1. **Voting rights**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under Article 6.10,

(a) on a vote by show of hands, every person present who is a shareholder or proxyholder and entitled to vote at the meeting has one vote, and

(b) on a poll, every shareholder entitled to vote has one vote in respect of each share held by that shareholder that carries the right to vote on that poll and may exercise that vote either in person or by proxy.

6.2. **Appointment of proxyholder**

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 a proxy holder to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

6.3. **Trustee of shareholder may vote**

A person who is not a shareholder may vote on a resolution at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxyholder to act at the meeting in relation to that resolution, if, before doing so, the person satisfies the chair of the meeting at which the resolution is to be considered, or the directors, that the person is a trustee for a shareholder who is entitled to vote on the resolution.

6.4. **Validity of proxy votes**

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

(a) 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

(b) by the chair of the meeting, before the vote is taken.

6.5. **Deposit of proxies**

A proxy for a meeting of shareholders 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, or if no number of days is specified, 2 business days, before the day set for the holding of the meeting, or

(b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting.

6.6. **Revocation of proxy**

Subject to Article 6.7, every proxy may be revoked by an instrument in writing that is

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

(b) provided at the meeting to the chair of the meeting.

Revocation of proxies must be signed.

6.7. An instrument referred to in Article 6.6 must be signed as follows:

(a) 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 trustee;

(b) 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 6.9.

6.8. **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 undersigned, being a shareholder of the above named Company, hereby appoints ___________________, or, failing that person, __________________, as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders to be held on the _____ day of ________________, ______ and at any adjournment of that meeting.

Signed this _____ day of _____________, _____

____
Signature of shareholder

6.9. **Corporate representatives**

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,

(a) for that purpose, the instrument appointing a representative must

(i) 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 two business days before the day set for the holding of the meeting, or

(ii) be provided, at the meeting, to the chair of the meeting, and

(b) if a representative is appointed under this Article,

(i) 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

(ii) 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.

6.10. **Votes by joint shareholders**

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

(a) 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

(b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, the joint shareholder present whose name stands first on the central securities register in respect of the share is alone entitled to vote in respect of that share.

6.11. **Trustees as joint shareholders**

Two or more trustees of a shareholder in whose sole name any share is registered are, for the purposes of Article 6.10, deemed to be joint shareholders.

6.12. **Alternate proxyholders**

A shareholder may appoint one or more alternate proxyholders to act in the place of an absent proxyholder.

6.13. **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.

6.14. **Polls**

Subject to Article 6.15, if a poll is duly demanded at a meeting of shareholders,

(a) the poll must be taken

(i) at the meeting, or within 7 days after the date of the meeting, as the chair of the meeting directs, and

(ii) in the manner, at the time and at the place that the chair of the meeting directs,

(b) the result of the poll is deemed to be a resolution of and passed at the meeting at which the poll is demanded, and

(c) the demand for the poll may be withdrawn.

6.15. **Demand for a poll on adjournment**

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

6.16. **Demand for a poll not to prevent continuation 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.

6.17. **Casting of votes on poll**

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

6.18. **Chair must resolve dispute**

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

6.19. **Majority of votes to decide questions**

Except as otherwise required by these Articles, by the *Business Corporations Act*, or by other applicable law, a question arising at a meeting of shareholders will be decided on a motion by a majority of the votes cast.

6.20. **Casting vote**

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

6.21. **Chair's rights as shareholder**

The chair, if a shareholder, proxyholder or corporate representative, may in such capacity move, propose or second a resolution.

6.22. **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.

PART 7 - APPOINTMENT OF DIRECTORS

7.1. **Number of Directors**

The Company must have a board of directors consisting of

(a) subject to paragraph (b), the number of directors that is equal to the number of the Company's first directors, or

(b) the number of directors set by ordinary resolution of the shareholders.

7.2. **Change in number of directors**

If the number of directors is changed by the shareholders under Article 7.1 (b),

(a) the change is effective whether or not previous notice of the resolution was given, and

(b) the shareholders may elect, or appoint by ordinary resolution, the directors needed to fill any vacancies in the board of directors that result from that change.

7.3. **Commencement of term of office**

At every annual general meeting,

(a) the shareholders entitled to vote at the annual general meeting for the election or appointment of directors must elect a board of directors consisting of the number of directors for the time being required under these articles, and

(b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or reappointment.

7.4. **Election by acclamation**

If the number of eligible persons nominated for election as directors is equal to or less than the number of directors to be elected, no vote will be required and those nominated will be deemed elected by acclamation, and if the number of eligible persons so nominated exceeds the number to be elected, voting on the election will be by a poll.

7.5. **Failure to elect or appoint directors**

If the Company fails to hold an annual general meeting in accordance with the Business Corporations Act or fails, at an annual general meeting, to elect or appoint any directors, the directors then in office continue to hold office until the earlier of

(a) the date on which the failure is remedied, and

(b) the date on which they otherwise cease to hold office under the *Business Corporations Act* or these articles.

7.6. **Casual vacancies**

(a) The board may appoint any individual qualified to act as a director to the board to fill a casual vacancy on the board, and where the number of remaining directors is not sufficient to constitute a quorum, the remaining directors may act for the purpose of filling the vacancies up to that number, but for no other purpose.

(b) A vacancy resulting from an increase in the number of directors will be deemed not to be a casual vacancy unless, but will be deemed to be a casual vacancy if, the vacancy is not filled by the shareholders at the meeting at which, or concurrently with the passing of the consent resolution by which, the increase is authorized.

(c) A vacancy on the board that has not otherwise been filled may be filled by an appointment made by ordinary resolution.

7.7. **Additional directors**

Despite Articles 7.1 and 7.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article must not at any time exceed

(a) 1/3 of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office, or

(b) in any other case, 1/3 of the number of the current directors who were elected or appointed as directors other than under this Article.

7.8. **Directors' acts valid despite vacancy**

An act or proceeding of the directors is not invalid merely because fewer than the number of directors required by Article 7.1 are in office.

PART 8 - PROCEEDINGS OF DIRECTORS

8.1. **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 board held at regular intervals may be held at the place, at the time and on the notice, if any, that the board may by resolution from time to time determine.

8.2. **Who may convene meeting**

A director may, and the secretary, if any, upon the request of a director must, call a meeting of the board at any time.

8.3. **Notice of extraordinary meetings**

Subject to Articles 8.8 and 8.9, if a meeting of the board is called under Article 8.2, reasonable notice of that meeting, specifying the place, date and time of that meeting, must be given to each of the directors

(a) by mail addressed to the director's address as it appears on the books of the Company or to any other address provided to the Company by the director for this purpose,

(b) by leaving it at the director's prescribed address or at any other address provided to the Company by the director for this purpose, or

(c) orally, by delivery of written notice or by telephone, voice mail, e-mail, fax or any other method of legibly transmitting messages.

8.4. **Consent resolutions**

A resolution of the board may be passed without an actual meeting of the board if the resolution is consented to in writing by all the directors, which consents may be in two or more counterparts.

8.5. **Procedure at meetings**

No resolution proposed at a meeting of the board need be seconded, and the chair of the meeting is entitled to move or propose a resolution.

8.6. **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 has a second or casting vote.

8.7. **Chair of meetings**

Meetings of the board are to be chaired by

(a) the chair of the board, if any,

(b) in the absence of the chair of the board, the president, if any, if the president is a director, or

(c) any other director chosen by the directors if

(i) 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,

(ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting, or

(iii) 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.

8.8. **When notice not required**

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

(a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the board at which that director is appointed, or

(b) the director has filed a waiver under Article 8.10.

8.9. **Meeting valid despite failure to give notice**

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

8.10. **Waiver of notice of meetings**

Any director may file with the Company a document signed by the director waiving notice of any past, present or future meeting of the board and may at any time withdraw that waiver with respect to meetings of the board held after that withdrawal.

8.11. **Effect of waiver**

After a director files a waiver under Article 8.10 with respect to future meetings of the board, and until that waiver is withdrawn, notice of any meeting of the board need not be given to that director unless the director otherwise requires in writing to the Company.

8.12. **Quorum**

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is a majority of the directors then in office.

8.13. **If only one director**

If there is only one director, the quorum necessary for the transaction of the business of the directors is one director, and that director may constitute a meeting.

8.14. **Appointment of officers**

The board may, from time to time, appoint a president, secretary or any other officers that it considers necessary, and none of the individuals appointed as officers need be a member of the board.

8.15. **Functions, duties and powers of officers**

The board may, for each officer,

(a) determine the functions and duties the officer is to perform,

(b) 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

(c) from time to time revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

8.16. **Appointment of officers**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the board thinks fit and are subject to termination at the pleasure of the board.

PART 9 - COMMITTEES OF THE BOARD

9.1. **Delegation of powers**

The directors may, by resolution,

(a) appoint one or more committees consisting of the director or directors that they consider appropriate,

(b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except

(i) the power to fill vacancies in the board,

(ii) the power to change the membership of, or fill vacancies in, any committee of the board, and

(iii) the power to appoint or remove officers appointed by the board, and

(c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

9.2. **Obligations of committee**

Any committee formed under Article 9.1, in the exercise of the powers delegated to it, must

(a) conform to any rules that may from time to time be imposed on it by the directors, and

(b) report every act or thing done in exercise of those powers to the earliest meeting of the directors to be held after the act or thing has been done.

9.3. **Powers of board**

The board may, at any time,

(a) revoke the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation or overriding,

(b) terminate the appointment of, or change the membership of, a committee, and

(c) fill vacancies in a committee.

9.4. **Quorum and procedures at meetings**

Subject to Article 9.2 (a),

(a) the members of a directors' committee may meet and adjourn as they think proper,

(b) a directors' committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any 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,

(c) a majority of the members of a directors' committee constitutes a quorum of the committee, and

(d) questions arising at any meeting of a directors' 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 has no second or casting vote.

PART 10 - SPECIAL APPROVALS

10.1. The directors may by ordinary resolution and, without shareholder approval, approve a change of name of the Company.

10.2. The following changes to the Notice of Articles, Articles, and authorized share structure of the Company may be made either by ordinary resolution of the shareholders or by ordinary resolution of the directors, as determined by the directors:

(a) creating one or more classes or series of shares, and if none of the shares of a class or series of shares are allotted or issued, eliminating that class or series of shares and altering the identifying name of any of its shares;

(b) establishing, increasing, reducing or eliminating the maximum number of shares that the Company is authorized to issue out of any class or series of shares;

(c) changing unissued shares with par value into shares without par value or vice versa or changing all or any of its fully paid issued shares with par value into shares without par value;

(d) creating, attaching, varying or deleting special rights or restrictions for the shares of any class or series of shares, if none of those shares have been issued;

(e) subdividing all or any of its unissued, or fully issued, shares; and

(f) authorizing alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to the Articles deal solely with the directors' powers, control or authority.

10.3. The shareholders may by ordinary resolution approve any alteration to the Company's shares, authorized share structure or Articles, other than as provided in 10.1 or 10.2.

PART 11 - BORROWING AND MORTGAGING

11.1. **Borrowing powers**

The directors may from time to time on behalf of the Company

(a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate,

(b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person,

(c) guarantee the repayment of money by any other person or the performance of any obligation of any other person, and

(d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future undertaking of the Company.

PART 12 - INDEMNIFICATION OF DIRECTORS

12.1. **Participation in other corporations**

A director or officer may be or become a director, officer or employee of, or may otherwise be or become interested in, any corporation, firm or entity in which the Company may be interested as a shareholder or otherwise, and, subject to compliance with the provisions of 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 corporation, firm or entity.

12.2. **Other office of director**

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.

12.3. **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.

12.4. **Professional services by director or officer**

Subject to the *Business Corporations Act*, a director or officer of the Company, or any corporation or firm in which that individual 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 corporation or firm is entitled to remuneration for professional services as if that individual were not a director or officer.

12.5. **Indemnity**

The directors may cause the Company to indemnify its directors and former directors, and their respective heirs and personal or other legal representatives to the greatest extent permitted by Division 5 of Part 5 of the *Business Corporations Act*.

PART 13 - EXECUTION OF DOCUMENTS

13.1. **Common seal**

The board may adopt a common seal for the Company and may, from time to time, adopt a new common seal, and will provide for the safe custody of the common seal.

13.2. **Use of seals**

The Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of

(a) any two directors,

(b) any officer, together with any director,

(c) if the Company only has one director, that director, or

(d) any one or more directors or officers or persons as may be determined by resolution of the directors.

PART 14 - DIVIDENDS

14.1. **Declaration of dividends**

Subject to the rights of shareholders, if any, holding shares with special rights as to dividends, all dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

14.2. **Declaration of dividends**

Subject to the rights, if any, of shareholders holding shares with special rights as to dividends, the directors may from time to time declare and authorize payment of any dividends the directors consider appropriate.

14.3. **No notice required**

The directors need not give notice to any shareholder of any declaration under Article 14.2.

14.4. **Dividend bears no interest**

No dividend bears interest against the Company.

14.5. **Directors may determine when dividend payable**

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

14.6. **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 paid up shares or fractional shares, bonds, debentures or other debt obligations of the Company, or in any one or more of those ways, and, if any difficulty arises in regard to the distribution, the directors may settle the difficulty as they consider expedient, and, in particular, may set the value for distribution of specific assets.

14.7. **Dividends payable to fiduciary**

The Company may retain a dividend payable on a share in respect of which a fiduciary is entitled to become a shareholder until the fiduciary becomes the registered holder of the share, at which time the Company may pay such dividend to the fiduciary.

14.8. **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.

14.9. Method of payment

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

(a) subject to paragraphs (b) and (c), to the address of the shareholder,

(b) subject to paragraph (c), in the case of joint shareholders, to the address of the joint shareholder whose name stands first on the central securities register in respect of the shares, or

(c) to the person and to the address as the shareholder or joint shareholders may direct in writing.

14.10. Receipts

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.

PART 15 - NOTICES

15.1. Methods of giving notice

A notice, statement, report or other record maybe provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder whose name stands first on the central securities register in respect of the share.

15.2. Notice to trustees

If a person becomes entitled to a share as a result of the death, bankruptcy or incapacity of a shareholder, the Company may provide a notice, statement, report or other record to that person by

(a) mailing the record, addressed to that person

(i) by name, by the title of representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description, and

(ii) at the address, if any, supplied to the Company for that purpose by the person claiming to be so entitled, or

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

PART 16 - SPECIAL RIGHTS & RESTRICTIONS

16.1. **Class A Preference Shares**

The Class A Preference Shares with a par value of $1.00 in the authorized share structure of the Company (the "Class A Preference Shares") shall have attached thereto, as a class, the special rights and restrictions set out herein.

(a) The Class A Preference Shares may, upon compliance with the applicable provisions of the Business Corporations Act, be issued at any time and from time to time in one or more series, each series to consist of such number of shares as may, before the issue thereof, be fixed by the Directors.

(b) Subject to the provisions of the Business Corporations Act, the articles and the special rights and restrictions attached to the Class A Preference Shares of any series, the directors may by resolution (a "Series Resolution") duly passed before the issuance of Class A Preference Shares of any series, alter the articles to fix the number of Class A Preference Shares in, and to determine the designation of the Class A Preference Shares of, such series and alter the articles to create, define and attach special rights and restrictions to the Class A Preference Shares of such series.

(c) The Class A Preference Shares shall, with respect to priority in payment of dividends and in the distribution of assets or property of the Company in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in any other distribution of assets or property of the Company among its shareholders for the purpose of winding-up its affairs, be entitled to a preference and priority over the common shares and any other shares ranking junior to the Class A Preference Shares and, subject to the provisions of the Business Corporations Act, the Class A Preference Shares may also be given such preferences over the common shares and any other shares ranking junior to the Class A Preference Shares as may be provided in the Series Resolutions in respect of such Class A Preference Shares.

(d) Subject to the provisions of the Business Corporations Act, the articles and the special rights and restrictions attached to the Class A Preference Shares of any series, the Company shall have the right at any time or times to create, allot and issue any shares of any class or classes ranking in priority to or on a parity with the Class A Preference Shares or the Class A Preference Shares of any series and having such designation and special rights and restrictions attached thereto as may be set forth in the resolution or resolutions creating such class and defining the special rights or restrictions to be attached thereto. The special rights and restrictions attached to the Class A Preference Shares or the Class A Preference Shares of any series shall not be prejudiced or interfered with by reason only of the creation, issuance and allotment of shares of any other class or classes ranking in priority to or on a parity with the Class A Preference Shares or the Class A Preference Shares of such series.

(e) Nothing contained in the articles shall require any consent or approval of the holders of the Class A Preference Shares or the Class A Preference Shares of any series to any alteration of the articles which shall authorize or provide for the creation of additional preferred shares including any that rank in priority to the Class A Preference Shares and it is a term of the issuance of any of the Class A Preference Shares that the holders thereof consent to any such alteration, provided that there has been compliance with the conditions, if any, set forth in the special rights and restrictions attached to the Class A Preference Shares or the Class A Preference Shares of such series.

(f) Subject to the provisions of the Business Corporations Act, the provisions contained herein may be repealed, in whole or in part, abrogated, altered, varied, added to, modified, amended or amplified with the consent of the holders of Class A Preference Shares given as provided herein.

(g) A consent under paragraph (f) shall be sufficiently given if it is given in writing by the holders of three-fourths of the Class A Preference Shares then outstanding or by resolution passed at a meeting of the holders of the Class A Preference Shares, duly called for that purpose and held upon at least 21 days notice, at which the holders of at least 10% of the Class A Preference Shares then outstanding are present or represented by proxy and carried by the affirmative votes of not less than three-fourths of the votes on such resolution cast on a poll.

(h) If at any meeting of the holders of Class A Preference Shares, a quorum is not present or represented by proxy within one-half hour after the time appointed for such meeting, then such meeting shall be adjourned to a date not less than 15 days thereafter and to such time and place as shall be appointed by the chairman and at least 10 days' notice shall be given of such adjourned meeting, but it shall not be necessary to specify the purpose for which such meeting was originally called. At such adjourned meeting, the holders of the Class A Preference Shares then present or represented by proxy may, subject to the provisions of the Business Corporations Act, transact the business for which such meeting was originally called and a resolution shall be carried by the affirmative votes of not less than three-fourths of the votes on such resolution cast on a poll. Except as otherwise provided herein, the formalities to be observed in respect of the giving of notice of any meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the Articles with respect to general meetings. On every poll taken at any such meeting or adjourned meeting, every holder of Class A Preference Shares shall be entitled to one vote in respect of each Class A Preference Share held by such holder.

16.2. **Class A Preference Shares, Series 1**

The first series of Class A Preference Shares shall consist of 30,000,000 shares and shall be designated as Class A Preference Shares, Series 1 (the "Class A Series 1 Shares"). The rights, privileges, restrictions and conditions attaching to the Class A Series 1 Shares are as follows:

(a) The holders of the Class A Series 1 Shares shall not have any voting rights for the election of directors or any other purpose and shall not be entitled to receive notice of or to attend any annual or extraordinary general meeting of the shareholders of the Company, except as required by the Business Corporations Act.

(b) The holders of the Class A Series 1 Shares shall be entitled to have declared and to accumulate dividends on the Class A Series 1 Shares equal to any dividends declared on the common shares and shall not otherwise be entitled to share in any of the property or assets of the Company except upon liquidation, dissolution, or winding-up of the Company as hereinafter provided.

(c) The following provisions apply to the conversion of the Class A Series 1 Shares:

(i) The Company shall at any time and from time to time be entitled to convert any or all of the Class A Series 1 Shares into common shares based on the formula set forth in paragraph (ii);

(ii) The number of common shares to be issued on the conversion of any Class A Series 1 Shares will be based on the following formula:

$$\frac{A}{B}$$

Where:

A = The par value of the Class A Series 1 Shares multiplied by the number of Class A Series 1 Shares to be converted, plus accumulated dividends; and

B = The greater of (1) the highest of the average market prices for the common shares for the 90 days immediately preceding any date on which the holder is requested to subscribe for to a maximum of $3.00 (subject to paragraph (v)) per common share; and (2) the average market price (as defined by the *Securities Act* (British Columbia)) for the common shares on the exchange on which such shares are listed and posted for trading on which the highest volume of trading occurred during the specified period for the 90 business days immediately preceding the date of conversion into common shares of the Class A Series 1 Shares to be converted, to a maximum of $9.00 (subject to paragraph (v)) per share;

(iii) In order to exercise the right of conversion in paragraph (i), the Company shall deliver a notice to the holder of the Class A Series 1 Shares indicating the number of Class A Series 1 Shares to be so converted. Within ten (10) days of delivery of such notice, the holder of such Class A Series 1 Shares shall deliver the share certificates representing such Class A Series 1 Shares at the principal business office of the Company, duly endorsed for transfer. Upon receipt of share certificates representing such Class A Series 1 Shares, the Company shall issue or cause to be issued share certificates representing the common shares to or to the order of the registered holders of the Class A Series 1 Shares being so converted and unless otherwise requested in the conversion request, such share certificates shall be mailed by registered mail to the address of the holders as last recorded in the corporate records of the Company;

(iv) Upon any conversion of Class A Series 1 Shares in accordance with the foregoing, the Class A Series 1 Shares so converted shall be cancelled and the holders thereof shall have no further rights whatsoever with respect thereto. If only a part of the Class A Series 1 Shares represented by any certificate are converted, a new certificate for the balance of such Class A Series 1 Shares shall be issued at the expense of the Company.

(v) If the number of outstanding common shares shall, prior to conversion by the holder of any Class A Series 1 Shares, be subdivided or consolidated, the number of common shares into which the Class A Series 1 Shares shall convert, and the \$3.00 and \$9.00 amount set out in paragraph (ii), shall be proportionately increased or reduced, as the case may be, provided that in no event shall the Class A Series 1 Shares be converted into a fraction of a common share;

(vi) If the Company amalgamates or merges with any company or companies, whether by way of arrangement, sale of its assets or undertakings or in any other manner whatsoever, then and in each such case, the Class A Series 1 Shares shall thereafter be converted for that number of common shares which would have resulted if all Class A Series 1 Shares which had not been converted at the date of such amalgamation or merger had been so converted immediately before the date such merger or amalgamation became effective and the basis of conversion of Class A Series 1 Shares into common shares will be increased or decreased, as applicable.

(d) In the event of a liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, the holders of the Class A Series 1 Shares shall be entitled to receive \$1.00 plus the amount of any declared but unpaid dividends for each of the Class A Series 1 Shares held before any amount shall be paid or any property or assets of the Company distributed to holders of common shares. Upon payment of the amounts so payable to them, the holders of the Class A Series 1 Shares shall not be entitled to share in any further distribution of the property or assets of the Company.