

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is dated for reference the 26th day of July, 2006.

BETWEEN:

SYDNEY RESOURCE CORPORATION, a company duly incorporated under the laws of the Province of British Columbia, and having its head office at Suite 328-550 Burrard Street, Vancouver, British Columbia, V6C 2B5

(hereinafter referred to as "Sydney")

OF THE FIRST PART,

AND:

BAND-ORE RESOURCES LTD., a company duly incorporated under the laws of the Province of Ontario, and having its head office at Suite 512 – 120 Adelaide Street West, Toronto, Ontario, M5H 1T1

(hereinafter referred to as "Band-Ore")

OF THE SECOND PART.

WHEREAS:

- A. Sydney has been incorporated pursuant to the *Company Act* (British Columbia);
- B. Band-Ore has been incorporated pursuant to the *Corporations Act* (Ontario);
- C. Sydney and Band-Ore wish to combine their respective businesses by way of an amalgamation (the "Amalgamation") under the provisions of the *Business Corporations Act* (British Columbia), S.B.C. 2002, c.57 (the "BCBCA") subsequent to the continuation of Band-Ore as a company under the BCBCA (the "Continuance");
- D. Sydney's common shares are listed on the TSX Venture Exchange (the "TSXV");
- E. Band-Ore's common shares are listed on the Toronto Stock Exchange (the "TSX");
- F. The parties have entered into a letter agreement with respect to the Amalgamation dated June 19, 2006; and
- G. The parties wish to enter into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the proposed Amalgamation.

NOW THEREFORE in consideration of the mutual premises contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

**ARTICLE 1
DEFINITIONS**

1.1 For the purposes of this Agreement:

- (a) **"Agreement"** means this Amalgamation Agreement and includes the schedules attached hereto.
- (b) **"Amalgamated Company"** means the corporation constituted upon the Amalgamation becoming effective.
- (c) **"Amalgamating Companies"** means Sydney and Band-Ore.
- (d) **"Amalgamation"** means the amalgamation of the Amalgamating Companies as contemplated in the Agreement.
- (e) **"Band-Ore Options"** means those incentive stock options granted to directors, officers, employees and consultants of Band-Ore to purchase up to 2,745,000 common shares of Band-Ore as more particularly set out in the Joint Information Circular.
- (f) **"Band-Ore Warrants"** means those share purchase warrants granted or to be granted by Band-Ore to purchase up to 4,079,331 common shares of Band-Ore, as more particularly set out in the Joint Information Circular.
- (g) **"BCBCA"** means the *Business Corporations Act*, S.B.C. 2002, c.57, as amended, together with the regulations thereto.
- (h) **"Cross-owned Shares"** means the common shares of Sydney held by Band-Ore;
- (i) **"Effective Date"** means the date of the Amalgamation as set forth in the Certificate of Amalgamation to be issued to the Amalgamated Company pursuant to the BCBCA.
- (j) **"Joint Information Circular"** means the joint management information circular prepared or to be prepared by Band-Ore and Sydney in connection with the annual and special meetings of the shareholders of each of the Amalgamating Companies to consider and approve the Amalgamation.
- (k) **"OBCA"** means the Business Corporations Act, R.S.O. 1990, C.B.16, as amended, together with the regulations thereto.
- (l) **"Registrar"** means the person appointed as the Registrar of Companies under the BCBCA.
- (m) **"Sydney Options"** means those incentive stock options granted to directors and employees of Sydney to purchase up to 2,165,000 common shares of Sydney, as more particularly set out in the Joint Information Circular.
- (n) **"Sydney Warrants"** means those share purchase warrants granted or to be granted by Sydney to purchase up to 11,810,043 common shares of Sydney, as more particularly set out in the Joint Information Circular.

(o) "TSX" means the Toronto Stock Exchange.

(p) "TSXV" means the TSX Venture Exchange.

1.2 Words and phrases used herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.3 The following Schedules which are attached hereto each form part of this Agreement:

Schedule "A" - Form 13 (BCBCA) - Amalgamation Application

Schedule "B" - Articles

Schedule "C" - Stock Option Plan

1.4 **Headings**

The division of this Agreement into articles, sections, paragraphs and other subdivisions, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof.

**ARTICLE 2
AMALGAMATION**

2.1 **Agreement**

The Amalgamating Companies agree to amalgamate pursuant to the provisions of the BCBCA as of the Effective Date and to continue as one corporation on the terms and conditions herein described.

2.2 **Effective Date of the Amalgamation**

On the Effective Date, the Amalgamation becomes effective and the Amalgamating Companies shall be amalgamated and continued as one corporation under the terms and conditions of the Agreement.

2.3 **Cancellation of Unissued Shares**

The unissued shares of each of the Amalgamating Companies shall be cancelled and shall not be exchanged for shares of the Amalgamated Company.

2.4 **Fractional Shares**

No fractional shares will be issued by the Amalgamated Company on the Amalgamation and any entitlement to a fractional share will be rounded down to the next whole share.

2.5 **Cancellation of Cross-owned Shares**

At the time the Amalgamation takes effect, all Cross-owned Shares held by Band-Ore shall be cancelled without any repayment of capital in respect of the Cross-owned Shares. For greater certainty, the Cross-owned Shares shall not be exchanged for shares of the Amalgamated Company, for shares of any other corporation nor for money.

**ARTICLE 3
AMALGAMATED COMPANY**

3.1 Name

The name of the Amalgamated Company shall be "West Timmins Gold Corporation" or such other name as approved by the TSX and the directors of the Amalgamated Company.

3.2 Business

There shall be no restrictions on the business that the Amalgamated Company may carry on.

3.3 Registered Office

The registered and records office of the Amalgamated Company shall be located at Suite 2300-1055 Dunsmuir Street, P.O. Box 49122, Vancouver, BC, V7X 1J1.

3.4 Authorized Capital

The authorized capital of the Amalgamated Company shall consist of an unlimited number of common shares without par value.

3.5 Form 13 - Amalgamation Application

The Form 13 – Amalgamation Application of the Amalgamated Company shall be as set out in Schedule "A" hereto respectively, and the Form 13 – Amalgamation Application will be filed with the Registrar under the BCBCA in accordance with Section 275(1)(a) of the BCBCA.

3.6 Articles

The Articles of the Amalgamated Company shall be as set out in Schedule "B" hereto, and will be kept at the records office of the Amalgamated Company.

3.7 Directors and Officers

- (a) The number of directors of the amalgamated Company shall be determined at seven (7).
- (b) The first directors of the Amalgamated Company shall be the persons whose names, prescribed addresses (as such term is defined in the BCBCA) and occupations are as follows:

<u>Full Name</u>	<u>Prescribed Address</u>	<u>Occupation</u>
Darin W. Wagner	Suite 328, 550 Burrard Street Vancouver, British Columbia V6C 2B5	President and CEO of Sydney
Wayne J. O'Connor	120 Adelaide Street West Suite 512 Toronto, Ontario M5M 1T1	Mining Executive, President and CEO of Band-Ore

Full Name	Prescribed Address	Occupation
Frank R. Hallam	Suite 328, 550 Burrard Street Vancouver, British Columbia V6C 2B5	Chartered Accountant since 1993; CFO of Sydney; CFO and Director of Platinum Group Metals Ltd. and CFO of MAG Silver Corporation
R. Michael Jones	Suite 328, 550 Burrard Street Vancouver, British Columbia V6C 2B5	President and CEO of Platinum Group Metals Ltd.
Peter A. Crossgrove	Suite 1600 - 30 Adelaide Street East Toronto, Ontario M5C 3H1	Mining Executive
Eric H. Carlson	Suite 300, 550 Burrard Street Vancouver, BC V6C 2B5	President and CEO of Anthem Works Ltd.
Thor E. Eaton	55 St. Clair Avenue West Suite 260 Toronto, Ontario M4V 2Y7	Business Executive

(c) The officers of the Amalgamated Company shall be the following:

Full Name	Prescribed Address	Position with Amalgamated Company	Occupation
Wayne J. O'Connor	120 Adelaide Street West Suite 512 Toronto, Ontario M5M 1T1	Chairman of the Board	Mining Executive
Darin W. Wagner	Suite 328, 550 Burrard Street Vancouver, British Columbia V6C 2B5	President and CEO	President and CEO of Sydney
Frank R. Hallam	Suite 328, 550 Burrard Street Vancouver, British Columbia V6C 2B5	Chief Financial Officer	Chartered Accountant since 1993; CFO of Sydney; CFO and Director of Platinum Group Metals Ltd. and CFO of MAG Silver Corporation

3.8 Management

Upon the Effective Date, the Amalgamated Company shall be managed and operated in accordance with the BCBCA.

3.9 Assets and Liabilities

Each of the Amalgamating Companies shall contribute to the Amalgamated Company all of its assets, subject to its liabilities, as they exist immediately before the Amalgamation. The Amalgamated Company shall possess all the property, rights, privileges and franchises as they exist

immediately before the Amalgamation, and shall be subject to all the liabilities, contracts, disabilities and debts of each of the Amalgamating Companies, as they exist immediately before the Amalgamation. All rights of creditors against the property, assets, rights, privileges and franchises of the Amalgamating Companies and all liens upon their property, rights and assets shall be unimpaired by the Amalgamation and all debts, contracts, liabilities and duties of the Amalgamating Companies shall thenceforth attach to and may be enforced against the Amalgamated Company. No action or proceeding by or against any of the Amalgamating Companies shall abate or be affected by the Amalgamation but, for all purposes of such action or proceeding, the name of the Amalgamated Company shall be substituted in such action or proceeding in the place of the name of the relevant Amalgamating Company.

3.10 Fiscal Year

The fiscal year end of the Amalgamated Company is to be March 31 in each year.

3.11 Registrar and Transfer Agent

The Registrar and Transfer Agent for the securities of the Amalgamated Company shall be Pacific Corporate Trust Company.

3.12 Auditor

The auditor of the Amalgamated Company shall be Davidson & Company LLP, and their remuneration may be fixed from time to time by the directors of the Amalgamated Company. The first auditor of the Amalgamated Company shall hold office until the first annual meeting of the shareholders of the Amalgamated Company after the Effective Date or until their successors are duly appointed.

3.13 Incentive Stock Option Plan

The Amalgamated Company shall adopt an incentive stock option plan in the form attached hereto as Schedule "C" (the "Option Plan") which shall become effective as of the Effective Date, subject to repeal, amendment or alteration.

**ARTICLE 4
EXCHANGE OF SHARES WITH THOSE OF THE AMALGAMATED COMPANY**

4.1 Exchange of Shares

The shares in the capital of the Amalgamating Companies, other than Cross-owned Shares, which are issued and outstanding immediately prior to the Effective Date shall, on and from the Effective Date, be exchanged with shares of the Amalgamated Company as follows:

- (a) The issued shares of Sydney shall be exchanged for common shares of the Amalgamated Company on the basis of one (1) common share of the Amalgamated Company for every one (1) common share of Sydney held.
- (b) The issued shares of Band-Ore shall be exchanged for common shares of the Amalgamated Company on the basis of nine-tenths (0.9) common shares of the Amalgamated Company for every one (1) common share of Band-Ore held.

4.2 Acknowledgement Regarding Convertible Securities

The parties acknowledge that, by virtue of the contractual provisions thereof:

- (a) All Sydney Options shall automatically entitle the holders thereof to purchase common shares of the Amalgamated Company on the basis of one (1) common share of the Amalgamated Company for every one (1) share for which the option was granted at an exercise price equal to the exercise price specified in the respective Sydney Option agreements.
- (b) All Sydney Warrants shall automatically entitle the holders thereof to purchase common shares of the Amalgamated Company on the basis of one (1) common share of the Amalgamated Company for every one (1) share for which the Sydney Warrants were granted at an exercise price equal to the exercise price specified in the Sydney Warrants.
- (c) All Band-Ore Options shall automatically entitle the holders thereof to purchase common shares of the Amalgamated Company on the basis of nine-tenths (0.9) common shares of the Amalgamated Company for every one (1) common share for which the option was granted at an exercise price per common share of the Amalgamated Company equal to one and one-ninth (1-1/9) times the exercise price specified in the respective Band-Ore Option agreements.
- (d) All Band-Ore Warrants shall automatically entitle the holders thereof to purchase common shares of the Amalgamated Company on the basis of nine-tenths (0.9) common shares of the Amalgamated Company for every one (1) common share for which the Band-Ore Warrants were granted at an exercise price per common share of the Amalgamated Company equal to one and one-ninth (1-1/9) times the exercise price specified in the certificates representing the Band-Ore Warrants.

4.3 Surrender of Shares

After the filing of the Form 13 – Amalgamation Application and the issue of a Certificate of Amalgamation in respect thereof, the shareholders of the Amalgamating Companies, when requested by the Amalgamated Company, shall surrender the certificates representing the shares held by them in such Amalgamating Companies and, subject to the provisions of the BCBCA, shall be entitled in return to receive certificates for shares of the Amalgamated Company on the basis aforesaid.

ARTICLE 5 COURT APPROVAL

5.1 Court Approval – Amalgamation

Upon the shareholders of each of the Amalgamating Companies approving this Agreement by special resolution in accordance with the BCBCA, the Amalgamating Companies shall jointly apply to the Supreme Court of British Columbia no later than September 25, 2006 for an order approving the Amalgamation in accordance with Section 276 of the BCBCA.

5.2 Court Approval – Fairness

At the court application referred to in Section 5.1, each of the Amalgamating Companies shall ensure that the Supreme Court of British Columbia first considers and grants an order that the Amalgamation is fair to each of the securityholders of the Amalgamating Companies.

ARTICLE 6 REPRESENTATIONS AND WARRANTIES

6.1 Representations and Warranties of Sydney

Sydney represents and warrants to and in favour of Band-Ore as follows, and acknowledges that Band-Ore is relying upon such representations and warranties in proceeding with the Amalgamation:

- (a) Each of Sydney and its subsidiaries validly exist and are in good standing with respect to the filing of any and all reports with the relevant regulatory authorities in their jurisdiction of incorporation, and the common shares of Sydney are listed, posted and called for trading on the TSXV;
- (b) Sydney is in good standing with its filings with the TSXV, meets all of the minimum maintenance standing requirements of the TSXV, currently carries on business as an active issuer under the policies of the TSXV, and has complied with and will comply fully with the requirements of the TSXV;
- (c) the common shares of Sydney are not subject to any trading halt, suspension or cease trade order, and there is no pending, threatened or potential action to halt, suspend, delist, or declare Sydney an inactive company by the TSXV or any other relevant securities regulatory authority;
- (d) the authorized capital of Sydney consists of an unlimited number of common shares without par value, of which 47,731,661 common shares are issued and outstanding as fully paid and non-assessable; Sydney has no outstanding and unfulfilled subscriptions for any additional common shares; and there are no outstanding warrants, options or other right to acquire shares of Sydney except for the Sydney Options, the Sydney Warrants and rights of third parties under existing property agreements, all as disclosed by Sydney in the Joint Information Circular;
- (e) Sydney has the corporate power and authority to enter into this Agreement and to carry out the intent and purpose thereof;
- (f) Sydney has the power, authority and capacity to carry on its business as presently conducted by it and to own and use all of its business assets;
- (g) the making of this Agreement does not conflict with or result in the breach of or the acceleration of any indebtedness under, any terms, provisions or conditions of, or constitute default under any indenture, mortgage, deed of trust, agreement, joint venture, lease, franchise, certificate, consent, permit, licence, authority or other instrument to which Sydney is a party or is bound or any judgment, decree, order, rule or regulation of any court or administrative body by which Sydney is bound or any statute or regulation applicable to Sydney;

- (h) Sydney is the beneficial owner of the properties, business and assets or the interests in the properties, business or assets referred to in the Joint Information Circular and all agreements by which Sydney holds an interest in a property, business or assets are in good standing according to their terms, and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated;
- (i) as at the date immediately preceding the Effective Date there will not be any material adverse difference in the assets and liabilities of Sydney as shown on the financial statements of Sydney most recently filed under applicable securities laws, other than a reduction in cash reserves resulting from paying expenses related to the transactions contemplated by this Agreement;
- (j) other than as disclosed in the Joint Information Circular, as at the date immediately preceding the Effective Date, there will not be any pending, threatened or potential litigation against Sydney;
- (k) Sydney is a “public corporation” for the purposes of the *Income Tax Act* (Canada) (the “ITA”) and the regulations thereunder, and Sydney is a “principal-business corporation” within the meaning assigned by subsection 66(15) of the ITA;
- (l) the corporate records and minute books of Sydney have been maintained substantially in accordance with applicable laws and are complete and accurate in all material respects and the financial books and records of Sydney have been maintained in accordance with good business and accounting practices;
- (m) Sydney has made available to Band-Ore all material information, including financial operations and other information respecting its business and operations and all such information as made available to Band-Ore is true and correct in all material respects and no material facts have been omitted therefrom as could make such information misleading; and
- (n) Sydney is in material compliance with all applicable laws, by-laws, regulations and government orders.

6.2 Representations and Warranties of Band-Ore

Band-Ore represents and warrants to and in favour of Sydney as follows, and acknowledges that Sydney is relying upon such representations and warranties in proceeding with the Amalgamation:

- (a) each of Band-Ore and its subsidiaries validly exist and are in good standing with respect to the filing of any and all reports with the relevant regulatory authorities in their jurisdiction of incorporation, and the common shares of Band-Ore are listed, posted and called for trading on the TSX;
- (b) Band-Ore is in good standing with its filings with the TSX, meets all of the minimum maintenance standing requirements of the TSX and has complied with and will comply fully with the requirements of the TSX;

- (c) the common shares of Band-Ore are not subject to any cease trade order, and there is no pending, threatened or potential action to issue such cease trade order by any relevant securities regulatory authority;
- (d) the authorized capital of Band-Ore consists of an unlimited number of common shares without par value, of which 41,823,147 common shares are issued and outstanding as fully paid and non-assessable, and an unlimited number of special shares (the "Special Shares"), of which none are issued; Band-Ore has no outstanding and unfulfilled subscriptions for any additional common shares or any Special Shares; and there are no outstanding warrants, options or other right to acquire common shares or Special Shares of Band-Ore, except for the Band-Ore Options and the Band-Ore Warrants and rights of third parties under existing property agreements, all as disclosed by Band-Ore in the Joint Information Circular;
- (e) Band-Ore has the corporate power and authority to enter into this Agreement and to carry out the intent and purpose thereof;
- (f) Band-Ore has the power, authority and capacity to carry on its business as presently conducted by it and to own and use all of its business assets;
- (g) the making of this Agreement does not conflict with or result in the breach of or the acceleration of any indebtedness under, any terms, provisions or conditions of, or constitute default under any indenture, mortgage, deed of trust, agreement, joint venture, lease, franchise, certificate, consent, permit, licence, authority or other instrument to which Band-Ore is a party or is bound or any judgment, decree, order, rule or regulation of any court or administrative body by which Band-Ore is bound or any statute or regulation applicable to Band-Ore;
- (h) Band-Ore is the beneficial owner of the properties, business and assets or the interests in the properties, business or assets referred to in the Joint Information Circular and all agreements by which Band-Ore holds an interest in a property, business or assets are in good standing according to their terms, and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated;
- (i) as at the date immediately preceding the Effective Date, there will not be any material adverse difference in the assets and liabilities of Band-Ore as shown on the financial statements of Band-Ore most recently filed under applicable securities laws, other than a reduction in cash reserves resulting from paying expenses related to the transactions contemplated by this Agreement;
- (j) as at the date immediately preceding the Effective Date, there will not be any pending, threatened or potential litigation against Band-Ore;
- (k) Band-Ore is a "public corporation" for the purposes of the ITA and the regulations thereunder, and Band-Ore is a "principal-business corporation" within the meaning assigned by subsection 66(15) of the ITA;
- (l) the corporate records and minute books of Band-Ore have been maintained substantially in accordance with applicable laws and are complete and accurate in all material respects and the financial books and records of Band-Ore have been maintained in accordance with good business and accounting practices;

- (m) Band-Ore has made available to Sydney all material information, including financial operations and other information respecting its business and operations and all such information as made available to Sydney is true and correct in all material respects and no material facts have been omitted therefrom as could make such information misleading; and
- (n) Band-Ore is in material compliance with all applicable laws, by-laws, regulations and government orders.

ARTICLE 7

CONDITIONS PRECEDENT

7.1 Mutual Conditions Precedent

The respective obligations of the Amalgamating Companies to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment of the following conditions:

- (a) this Agreement shall have been approved by special resolutions passed at annual and special meetings of the shareholders of each of the Amalgamating Companies, called and held in accordance with the provisions of the BCBCA or OBCA, as applicable, and applicable securities laws;
- (b) Band-Ore and Sydney shall not have received notices of dissent with respect to the Amalgamation from shareholders of Band-Ore and Sydney who collectively hold more than 5% of the issued common shares of Band-Ore and Sydney, on a combined basis;
- (c) the Supreme Court of British Columbia shall have granted an order that the Amalgamation is fair to each of the securityholders of the Amalgamating Companies;
- (d) the Amalgamation shall have been approved by order of the Supreme Court of British Columbia;
- (e) the Form 13 – Amalgamation Application and other documents as are required shall have been delivered to the Registrar under the BCBCA for registration;
- (f) the listing of the shares of the Amalgamated Company on the TSX shall have been conditionally approved by the TSX on or prior to the Effective Date; and
- (g) the Amalgamation shall have been effected on or before Friday, September 29, 2006 or such other date as may be mutually agreed to by the parties in writing.

The conditions described in this Section 7.1 are for the benefit of both Sydney and Band-Ore and may be waived by both of them in their sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights the waiving party may have hereunder. No waiver of the conditions described in this Section 7.1 is effective unless waived by both Sydney and Band-Ore.

7.2 Conditions to Obligations of Sydney

The obligations of Sydney to complete the transactions contemplated hereby are subject to satisfaction on or before the Effective Date of the following conditions:

- (a) that each of the acts and undertakings of Band-Ore to be performed on or before the Effective Date pursuant to the terms of this Agreement has been duly performed and there has been no material breach of such terms by Band-Ore;
- (b) on or before the Effective Date, Band-Ore has furnished Sydney with evidence satisfactory to Sydney that Band-Ore has continued under the BCBCA;
- (c) on or before the Effective Date, Band-Ore has furnished Sydney with certified copies of the resolutions duly passed by the board of directors of Band-Ore approving this Agreement and the consummation of the transactions contemplated hereby including the Amalgamation;
- (d) on or before the Effective Date, Band-Ore has furnished Sydney with certified copies of the resolutions duly passed by the shareholders of Band-Ore approving the Continuance, this Agreement and the consummation of the transactions contemplated hereby including the Amalgamation;
- (e) no change, fact or circumstance has occurred in the affairs, operations or business of Band-Ore, from and after the date hereof to and including the Effective Date which, in Sydney's reasonable opinion, is materially adverse to Sydney's interest in proceeding with the Amalgamation;
- (f) except as affected by the transactions contemplated by this Agreement, the representations and warranties of Band-Ore contained in Section 6.2 are true in all material respects immediately prior to the Effective Date with the same effect as though such representations and warranties had been made at and as of such time and Sydney has received a certificate to that effect dated the day preceding the Effective Date from the President of Band-Ore, acting solely on behalf of Band-Ore and not in his personal capacity, certifying that to the best of his information and belief having made reasonable inquiry and having no knowledge to the contrary; and
- (g) there has been no material breach of the terms hereof by Band-Ore.

The conditions described in this Section 7.2 are for the exclusive benefit of Sydney and may be waived by Sydney in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Sydney may have hereunder.

7.3 Conditions to Obligations of Band-Ore

The obligations of Band-Ore to complete the transactions contemplated hereby are subject to satisfaction on or before the Effective Date of the following conditions:

- (a) that each of the acts and undertakings of Sydney to be performed on or before the Effective Date pursuant to the terms of this Agreement has been duly performed and there has been no material breach of such terms by Sydney;

- (b) on or before the Effective Date, Sydney has furnished Band-Ore with certified copies of the resolutions duly passed by the shareholders of Sydney approving this Agreement and the consummation of the transactions contemplated hereby including the Amalgamation;
- (c) on or before the Effective Date, Sydney has furnished Band-Ore with certified copies of the resolutions duly passed by the board of directors of Sydney approving this Agreement and the consummation of the transactions contemplated hereby including the Amalgamation;
- (d) no change, fact or circumstance has occurred in the affairs, operations or business of Sydney, from and after the date hereof to and including the Effective Date which, in Band-Ore's reasonable opinion, is materially adverse to Band-Ore's interest in proceeding with the Amalgamation;
- (e) except as affected by the transactions contemplated by this Agreement the representations and warranties of Sydney contained in Section 6.1 are true in all material respects immediately prior to the Effective Date with the same effect as though such representations and warranties had been made at and as of such time and Band-Ore has received a certificate to that effect dated the day preceding the Effective Date from the President of Sydney, acting solely on behalf of Sydney and not in his personal capacity, certifying that to the best of his information and belief having made reasonable inquiry and having no knowledge to the contrary; and
- (f) there has been no material breach of the terms hereof by Sydney.

The conditions described in this Section 7.3 are for the exclusive benefit of Band-Ore and may be waived by Band-Ore in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Band-Ore may have hereunder.

7.4 Satisfaction of Conditions

The conditions set out in this Article 7 are conclusively deemed to have been satisfied, waived or released when, with the agreement of the parties, the Form 13 (BCBCA) Amalgamation Application, in substantially the form set out in Schedule "A" hereto, has been filed with the Registrar under the BCBCA to carry into effect the Amalgamation.

ARTICLE 8 GENERAL

8.1 Expenses

Each of Sydney and Band-Ore will be responsible to pay their own legal, due diligence and other transactional costs in respect of the Amalgamation. If the Amalgamation does not consummate, any costs which Sydney and Band-Ore have agreed to share will be shared equally, provided that, if the Amalgamation is not completed due to either:

- (a) one of Band-Ore or Sydney determining not to proceed with the Amalgamation (including determining not to hold a meeting of its shareholders, or not actually holding such a meeting), whether in order to enter into a transaction with a third party as permitted below or due to a determination of the directors of such party not to proceed for whatever reason; or

- (b) the shareholders of either Sydney or Band-Ore not voting to approve the required special resolution to implement the Amalgamation,

then the party determining not to proceed (or not to hold a meeting), or whose shareholders failed to approve the required special resolution, will be liable for, and will pay on demand, all legal, due diligence and other transaction costs including any financial and geological consulting or other third party costs incurred by the other party. Band-Ore and Sydney agree that Sydney's counsel will take primary responsibility for preparation of all documentation required to effect the Amalgamation, including the Joint Information Circular and applications to securities regulatory authorities, and such costs will be shared equally by the Amalgamating Companies.

8.2 Modifications

Each of the Amalgamating Companies may, by a resolution of their respective directors, assent to any alteration or modification of this Agreement which the shareholders of the respective companies, the Registrar under the BCBCA or the Supreme Court of British Columbia may require and all alterations or modifications so assented to shall be binding upon the Amalgamating Companies.

8.3 Notices

All notices, requests, and demands hereunder shall be in writing and shall be deemed to have been duly given if delivered by hand or by facsimile as follows:

- (a) to Sydney:

Sydney Resource Corporation
Suite 328 – 550 Burrard Street
Vancouver, British Columbia
V6C 2B5

Fax: (604) 685-1682

Attention: The President

with a copy to:

Gowling Lafleur Henderson, LLP
Barristers & Solicitors
Suite 2300 – 1055 Dunsmuir Street
Vancouver, British Columbia
V7X 1J1

Fax: (604) 689-8610

Attention: Daniel Allen

(b) to Band-Ore:

Band-Ore Resources Ltd.
120 Adelaide Street West
Suite 512,
Toronto, Ontario M5H 1T1

Fax: (416) 364-5400

Attention: The President

with a copy to:

Macleod Dixon LLP
Barristers & Solicitors
Toronto-Dominion Centre
Canadian Pacific Tower
100 Wellington Street West
P.O. Box 128, Suite 500
Toronto, Ontario M5K 1H1

Fax: (416) 360-8277

Attention: Marvin Singer

8.4 No Assignment

This Agreement shall not be assigned by either party.

8.5 Binding Effect

This Agreement shall be binding upon and shall enure to the benefit of and shall be binding upon the parties and their respective successors, executors, administrators or trustees.

8.6 Time of the Essence

Time shall be of the essence of this Agreement.

8.7 Counterparts

This Agreement may be executed in separate counterparts, and all such executed counterparts when taken together shall constitute one and the same Agreement. The parties shall be entitled to rely on the delivery of a facsimile copy of the executed Agreement, and such facsimile copy shall be legally effective to create a valid and binding Agreement.

8.8 Termination

This Agreement may be terminated by the mutual agreement of the Amalgamating Companies at any time prior to the issuance of a certificate of amalgamation by the Registrar under the BCBCA.

8.9 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable thereto. The parties irrevocably submit to the jurisdiction of the courts of the Province of British Columbia.

8.10 Entire Agreement

This Agreement and the schedules attached hereto together with any and all agreements, documents and instruments to be entered and delivered herewith constitute the entire agreement between the parties and shall supersede all previous oral or written communications.

[THE REMAINDER OF THIS PAGE HAS PURPOSELY BEEN LEFT BLANK]

8.11 Survival of Representation and Warranties

The representations and warranties herein shall survive the performance of the parties respective obligations hereunder and the termination of this Agreement but shall expire one year after the Effective Date.

IN WITNESS WHEREOF this Amalgamation Agreement has been executed by the parties hereto as of the day and year first above written.

SYDNEY RESOURCE CORPORATION

BAND-ORE RESOURCES LTD.

Per: (signed) "Darin W. Wagner"
Authorized Signatory

Per: (signed) "Wayne J. O'Connor"
Authorized Signatory

SCHEDULE "A"

FORM 13 (BCBCA) - AMALGAMATION APPLICATION



AMALGAMATION APPLICATION

FORM 13 – BC COMPANY
Section 275 Business Corporations Act

Telephone: 250 356 – 8626

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

Freedom of Information and Protection of Privacy Act (FIPPA)

The personal information requested on this form is made available to the public under the authority of the *Business Corporations Act*. Questions about how the FIPPA applies to this personal information can be directed to the Administrative Assistant of the Corporate and Personal Property Registries at 250 356-1198, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

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



The name West Timmins Gold Corporation is the name reserved for the amalgamated company. The name reservation number is: 8679015, OR



The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number, OR

The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.



The name of the amalgamating company being adopted is:

The incorporation number of that company is: _____

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

B. AMALGAMATION STATEMENT – Please indicate the statement applicable to the amalgamation.



With Court Approval:

This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR



Without Court Approval:

This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

C. AMALGAMATION EFFECTIVE DATE – Choose *one* of the following:



The amalgamation is to take effect at the time that this application is filed with the registrar



The amalgamation is to take effect at 12:01 a.m. Pacific Time on _____ being a date that is not more than ten days after the date of the filing of this application.



The amalgamation is to take effect at _____ ☐ a.m. or ☐ p.m. Pacific Time on _____ being a date and time that is not more than ten days after the date of the filing of this application.

D. AMALGAMATING CORPORATIONS

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. Band-Ore Resources Ltd		
2. Sydney Resource Corporation	BC0194608	

E. FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

☐ This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

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

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item D.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
1. Wayne J. O'Connor	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
2. Darin W. Wagner	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
3.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
4.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
5.	X	

NOTICE OF ARTICLES

A. NAME OF COMPANY

Set out the name of the company as set out in Item A of the Amalgamation Application
West Timmins Gold Corporation

B. TRANSLATION OF COMPANY NAME

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

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

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9:00 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME	DELIVERY ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE	MAILING ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE
Wagner, Darin W.			Suite 328 - 550 Burrard Street Vancouver, BC V6C 2B5	
Hallam, Frank R.			Suite 328 - 550 Burrard Street Vancouver, BC V6C 2B5	
Jones, R. Michael			Suite 328 - 550 Burrard Street Vancouver, BC V6C 2B5	
Carlson, Eric			Suite 300 - 550 Burrard Street Vancouver, BC V6C 2B5	
Eaton, Thor			55 St. Clair Avenue West Suite 260 Toronto, Ontario M4V 2Y7	
Crossgrove, Peter A.			Suite 1600 - 30 Adelaide Street East Toronto, Ontario M5C 3H1	
O'Connor, Wayne J.			120 Adelaide Street West Suite 512 Toronto, Ontario M5M 1T1	

D. REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE (INCLUDING BC and POSTAL CODE)

Suite 2300 - 1055 Dunsmuir Street, P.O. Box 49122, Four Bentall Centre, Vancouver, BC V7X 1J1

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE (INCLUDING BC and POSTAL CODE)

Suite 2300 - 1055 Dunsmuir Street, P.O. Box 49122, Four Bentall Centre, Vancouver, BC V7X 1J1

E. RECORDS OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE (INCLUDING BC and POSTAL CODE)

Suite 2300 - 1055 Dunsmuir Street, P.O. Box 49122, Four Bentall Centre, Vancouver, BC V7X 1J1

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE (INCLUDING BC and POSTAL CODE)

Suite 2300 - 1055 Dunsmuir Street, P.O. Box 49122, Four Bentall Centre, Vancouver, BC V7X 1J1

F. AUTHORIZED SHARE STRUCTURE

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

SCHEDULE "B"

ARTICLES

WEST TIMMINS GOLD CORPORATION
(the “Company”)

The Company has as its articles the following articles.

Full name and signature of director	Date of signing
Darin W. Wagner	

Incorporation number:

WEST TIMMINS GOLD CORPORATION
(the “Company”)

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1. INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

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

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

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, 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. SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

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

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

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 acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written 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, Stolen or Destroyed Certificate or Acknowledgment

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

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

2.7 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 the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.8 Certificate Fee

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

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share 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

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) a duly signed instrument of transfer in respect of the share;
- (2) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate;
- (3) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment; 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, the due signing of the instrument of transfer and the right of the transferee to have the transfer registered.

5.2 Form of Instrument of Transfer

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

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written 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 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 proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative 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, provided the documents required by the *Business Corporations Act* and the directors have 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 determined by the directors.

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 and the *Business Corporations Act*, the Company may by special resolution:

- (1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
- (2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
- (3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (4) if the Company is authorized to issue shares of a class of shares with par value:
 - (a) decrease the par value of those shares; or
 - (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
- (5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (6) alter the identifying name of any of its shares; or
- (7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

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 special 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 special resolution authorize an alteration of its Notice of Articles in order to change its name and may, by ordinary resolution or directors' resolution, 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 special 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 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, at any time, call a meeting of shareholders.

10.4 Notice for Meetings of Shareholders

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

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

10.4A Notice of Resolution to Which Shareholders May Dissent

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

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

10.5 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.

10.6 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.

10.7 Failure to Give Notice and Waiver of Notice

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

10.8 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 general meeting of shareholders is two-thirds 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 to 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 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of 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 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any 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; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present 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 of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

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

11.17 Manner of Taking Poll

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

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

- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

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

11.19 Chair Must Resolve Dispute

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

11.20 Casting of Votes

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

11.21 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 of shareholders, 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 of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

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 registered in respect of that share.

12.5 Representative of a Corporate Shareholder

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

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

- (2) if a representative is appointed under this Article 12.5:
- (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

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

12.6 Proxy Provisions Do Not Apply to All Companies

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 12.7 to 12.15 apply only insofar as they are not inconsistent with 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 insofar as they are not inconsistent with the 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.

12.7 Appointment of Proxy Holders

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

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

12.9 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; or

- (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.

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 received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

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

12.11 Validity of Proxy Vote

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

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

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 undersigned):

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 received:

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

12.14 Revocation of Proxy Must Be Signed

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

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

12.15 Production of Evidence of Authority to Vote

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

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):

- (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 (subject to Article 14.8) appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

The Company 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

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

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

14.2 Consent to be a Director

No election, appointment or designation of an individual as 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) when his or her successor is elected or appointed; and
- (4) when 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 calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

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

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

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

14.9 Ceasing to be a Director

A director ceases to be a director when:

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

14.10 Removal of Director by Shareholders

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

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.

15. ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

Any director (an “appointor”) may by notice in writing received by the Company appoint any person (an “appointee”) who is qualified to act as a director to be his or her alternate to act in his or her

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

15.2 Notice of Meetings

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

15.3 Alternate for More Than One Director Attending Meetings

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

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

15.4 Consent Resolutions

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

15.5 Alternate Director Not an Agent

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

15.6 Revocation of Appointment of Alternate Director

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

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

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

15.8 Remuneration and Expenses of Alternate Director

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

16. POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

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

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or 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.

17. INTERESTS OF DIRECTORS AND OFFICERS

17.1 Obligation to Account for Profits

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

17.2 Restrictions on Voting by Reason of Interest

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

17.3 Interested Director Counted in Quorum

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

17.4 Disclosure of Conflict of Interest or Property

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

17.5 Director Holding Other Office in the Company

A director may hold any office or place 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.

17.6 No Disqualification

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

17.7 Professional Services by Director or Officer

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

17.8 Director or Officer in Other Corporations

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

18. PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

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

18.2 Voting at Meetings

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

18.3 Chair of Meetings

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

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

18.4 Meetings by Telephone or Other Communications Medium

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

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all the directors, by some other communications medium;

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

18.5 Calling of Meetings

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

18.6 Notice of Meetings

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

18.7 When Notice Not Required

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

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

18.8 Meeting Valid Despite Failure to Give Notice

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

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any

meeting of the directors need be given to that director and, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director. Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10 Quorum

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

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent 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 have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article may be by signed document, fax, e-mail 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 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of 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.

19. EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

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

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

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

19.3 Obligations of Committees

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

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

19.4 Powers of Board

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

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

- (3) fill vacancies in the committee.

19.5 Committee Meetings

Subject to Article 19.3(1) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

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

20. OFFICERS

20.1 Directors May Appoint Officers

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

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

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

20.3 Qualifications

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

20.4 Remuneration and Terms of Appointment

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

21. INDEMNIFICATION

21.1 Definitions

In this Article 21:

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

21.2 Mandatory Indemnification of Eligible Parties

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

21.3 Indemnification of Other Persons

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

21.4 Non-Compliance with *Business Corporations Act*

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

21.5 Company May Purchase Insurance

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

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

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

22. DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

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

22.2 Declaration of Dividends

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

22.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 22.2.

22.4 Record Date

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

22.5 Manner of Paying Dividends

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

22.6 Settlement of Difficulties

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

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

22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance with Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

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

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

22.13 Capitalization of 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 so capitalized or any part thereof.

23. ACCOUNTING RECORDS AND AUDITORS

23.1 Recording of Financial Affairs

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

23.2 Inspection of Accounting Records

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

23.3 Remuneration of Auditor

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

24. NOTICES

24.1 Method of Giving Notice

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

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

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

24.2 Deemed Receipt

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

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

24.3 Certificate of Sending

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

24.4 Notice to Joint Shareholders

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

24.5 Notice to Legal Personal Representatives and Trustees

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

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

24.6 Undelivered Notices

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

25. SEAL

25.1 Who May Attest Seal

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

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

25.2 Sealing Copies

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

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

26. PROHIBITIONS

26.1 Definitions

In this Article 26:

- (1) "designated security" means:
 - (a) a voting security of the Company;
 - (b) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (c) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (2) "security" has the meaning assigned in the *Securities Act* (British Columbia);
- (3) "voting security" means a security of the Company that:
 - (a) is not a debt security, and
 - (b) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2 Application

Article 26.3 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 its Articles or to which the Statutory Reporting Company Provisions apply.

26.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated 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.

SCHEDULE "C"
STOCK OPTION PLAN

WEST TIMMINS GOLD CORPORATION
STOCK OPTION PLAN

1. Purpose of the Plan

1.1 The purpose of this Plan, as amended or varied from time to time, is to provide the Participants with an opportunity to purchase Common Shares of the Company and benefit from the appreciation thereof. This proprietary interest in the Company will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Company, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Company and its Subsidiaries to attract and retain individuals of exceptional skill.

2. Defined Terms

2.1 Where used herein, the following terms shall have the following meanings:

- (a) **"Acceleration Right"** means the Participant's right, in certain circumstances, to exercise their outstanding Option as to all or any of the Common Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of Common Shares not otherwise vested at such time;
- (b) **"Board"** means the board of directors of the Company;
- (c) **"Common Shares"** means the common shares of the Company or, in the event of an adjustment contemplated by Article 8 hereof, such shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- (d) **"Company"** means West Timmins Gold Corporation, and includes any successor corporation thereof;
- (e) **"Exchange"** means the Toronto Stock Exchange or, if the Common Shares are not then listed and posted for trading on such exchange, then on any stock exchange in Canada on which such shares are listed and posted for trading or any other regulatory body having jurisdiction as may be selected for such purpose by the Board;
- (f) **"Exercise Notice"** means the notice in writing signed by the Participant or the Participant's legal personal representatives addressed to the Company specifying an intention to exercise all or a portion of the Option;
- (g) **"Expiry Time"** means the time at which the Options will expire, being 4:00 p.m. (Vancouver time) on a date to be fixed by the Board at the time the Option is granted, which date will not be more than ten years from the date of grant;
- (h) **"Insider"** has the meaning ascribed thereto in the Toronto Stock Exchange Company Manual, as amended from time to time;

- (i) **"Market Price"** per Common Share at any date shall mean the volume weighted average trading price of the Common Shares on the Exchange for the 5 trading days prior to the date of grant (or, if the Common Shares are not then listed and posted for trading on the Exchange, such price as required by such stock exchange in Canada on which such shares are listed and posted for trading as may be selected for such purpose by the Board). In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada or where the volume weighted average trading price does not, in the opinion of the Board, reflect the current market price of the securities, the Market Price shall be determined by the Board in its sole discretion;
- (j) **"Option"** means an option to purchase Common Shares from treasury granted by the Company to a Participant, subject to the provisions contained herein;
- (k) **"Option Price"** means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted herein;
- (l) **"Participants"** means the directors, officers, employees and other Service Providers of the Company or its Subsidiaries, as such terms are defined by the Exchange;
- (m) **"Permanent Disability"** means the mental or physical state of the Participant whereby such person has to a substantial degree been unable, due to illness, disease, mental or physical disability or similar cause, to fulfill his obligations as a director, officer or Service Provider of the Company either for any consecutive four (4) month period or for any period of six (6) months (whether or not consecutive) in any consecutive twelve (12) month period, and the Company has certified the same in writing, or a court of competent jurisdiction has declared the Participant to be mentally incompetent or incapable of managing his affairs;
- (n) **"Plan"** means this Stock Option Plan of the Company, as the same may be amended or varied from time to time;
- (o) **"Service Provider"** means:
 - (i) an employee or Insider of the Company or any of its Subsidiaries, or
 - (ii) any other person or company engaged to provide ongoing management or consulting services for the Company or any of its Subsidiaries;
- (p) **"Subsidiary"** means any body corporate that is a subsidiary of the Company, as such term is defined under subsection 2(2) of the *Business Corporations Act* (British Columbia), as such provision is from time to time amended, varied or re-enacted; and
- (q) **"Take-over Bid"** has the meaning ascribed thereto in the *Securities Act* (British Columbia), as such provision is from time to time amended, varied or re-enacted.

3. Administration of the Plan

3.1 The Board shall administer this Plan. Options granted under the Plan shall be granted in accordance with determinations made by the Board pursuant to the provisions of the Plan as to: the Participants to whom, and the time or times at which, the Options will be granted; the number of Common Shares which shall be the subject of each Option; any vesting provisions attaching to the Option; and, the terms and provisions of the respective stock option agreements, provided, however, that each director, employee or service provider shall have the right not to participate in the Plan and any decision not to participate shall not affect the employment by or engagement with, the Company. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent, confirm and provide evidence of such eligibility as may be required.

4. Granting of Option

4.1 Participants may be granted Options from time to time. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time. Each Option granted hereunder shall be evidenced by an agreement in writing, signed on behalf of the Company and by the Participant, in such form as the Board shall approve from time to time. Each such agreement shall recite that it is subject to and incorporates the provisions of this Plan.

4.2 Subject to adjustment as provided in Article 8 hereof, the aggregate number of authorized but unissued Common Shares of the Company allocated and made available to be granted to Participants under the Plan, together with any authorized but unissued Common Shares reserved but unissued under any previous stock option plan of the Company, shall not exceed nine (9%) percent (on a non-diluted basis) of the issued and outstanding Common Shares at the date of grant. Common Shares in respect of which Options are cancelled or not exercised prior to expiry, for any reason, shall be available for subsequent Option grants under the Plan. No fractional shares may be purchased or issued hereunder.

4.3 The Company shall at all times, during the term of the Plan, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of the Plan.

4.4 Any grant of Options under the Plan shall be subject to the following limitations:

- (a) the aggregate number of Common Shares reserved for issuance pursuant to options outstanding at any time may not exceed 9% of the issued and outstanding Common Shares;
- (b) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to any one Participant hereunder and pursuant to other share compensation arrangements may not exceed 5% of the issued and outstanding Common Shares;
- (c) the aggregate number of Common Shares reserved for issuance pursuant to Options granted to Insiders and pursuant to other share compensation arrangements may not exceed 10% of the issued and outstanding Common Shares;

- (d) the issuance of Common Shares to Insiders pursuant to the Plan and other share compensation arrangements within a one-year period may not exceed 10% of the issued and outstanding Common Shares; and
- (e) the issuance of Common Shares to any one Insider and such Insider's associates within a one-year period pursuant hereto and to other share compensation arrangements may not exceed 5% of the issued and outstanding Common Shares.

The aforementioned limits of Common Shares reserved for issuance may be formulated on a diluted basis with the consent of the Exchange.

4.5 All Options granted pursuant to this Plan shall be subject to rules and policies of the Exchange and any other regulatory body having jurisdiction.

4.6 A Participant who has been granted an Option may, if otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional Option if the Board so determines.

5. Option Price

5.1 Subject to applicable Exchange approval, the Board shall fix the Option Price at the time the Option is granted to a Participant. In no event shall the price be less than the Market Price of the Common Shares on the Exchange at the time of grant or, if the Common Shares are not listed on any stock exchange, the Market Price as determined by the Board.

6. Term of Option

6.1 The term of the Option shall be a period of time fixed by the Board, not to exceed ten years and, unless the Board determines otherwise, Options shall be exercisable in whole or in part at any time during this period in accordance with such vesting provisions, conditions or limitations (including applicable hold periods) as are herein contained or as the Board may from time to time impose or as may be required by the Exchange or under applicable securities laws.

6.2 Each Option and all rights thereunder shall be expressed to expire at the Expiry Time, but shall be subject to earlier termination in accordance with any stock option agreement entered into hereunder or in accordance with Article 11 hereof.

6.3 Subject to any specific requirements of the Exchange, the Board shall determine the vesting period or periods within the Option term during which a Participant may exercise Options or a portion thereof.

7. Exercise of Option

7.1 Subject to the provisions of the Plan and the terms of any stock option agreement, an Option or a portion thereof may be exercised, from time to time, by delivery to the Company's principal office in Vancouver, British Columbia of the Exercise Notice. The Exercise Notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof, and specify the number of Common Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Common Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Company, with all applicable requirements of the Exchange and any applicable regulatory authorities.

8. Adjustments in Shares

8.1 If the outstanding shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, an appropriate and proportionate adjustment shall be made by the Board, in its discretion, in the number or kind of shares optioned and the exercise price per share, as regards previously granted and unexercised Options or portions thereof, and as regards Options which may be granted subsequent to any such change in the Company's capital.

8.2 Determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Company shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

9. Accelerated Vesting

9.1 In the event that certain events such as a Take-over Bid, liquidation or dissolution of the Company or a re-organization, plan of arrangement, merger or consolidation of the Company with one or more entities, as a result of which the Company is not the surviving entity, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or stock option agreements issued hereunder (a) exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time, and (b) in the event of an acceleration of vesting as referred to in (a), exercise its discretion, by way of resolution, to cause the Options to terminate after the end of the period of accelerated vesting on such terms as the Board sees fit at that time, even if such termination of the Options is prior to the normal Expiry Time of the Options. If the Board, in its sole discretion, determines that the Common Shares subject to any Option granted hereunder shall vest on an accelerated basis, all Participants entitled to exercise an unexercised portion of Options then outstanding shall have the right at such time, upon written notice being given by the Company, to exercise such Options to the extent specified and permitted by the Board, and within the time period specified by the Board, which shall not extend past the Expiry Time.

9.2 In addition to the above, an Option may provide for acceleration of the vesting provisions contained therein upon other events of change of control of the Company, on such terms as the Board determines in its sole discretion at the time of the grant of the Option.

9.3 Where the accelerated vesting provisions of this Article 9 apply to a Participant's Option granted hereunder, the Participant may, in lieu of exercising the Option pursuant to Section 7.1, surrender the Option to the Company and the Company shall satisfy all of its obligations to the Participant hereunder by paying to the Participant in cash an amount equal to any positive difference between the exercise price of the unexercised Option and the fair market value of the securities to which the Participant would be entitled upon exercise of the Option and the Option will be cancelled.

10. Decisions of the Board

10.1 All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Company and the Participants and their respective legal personal representatives and on all directors, officers, employees and consultants of the Company who are eligible to participate under the Plan.

11. Ceasing to be a Director, Officer, Employee or Service Provider

11.1 Subject to the terms of the applicable stock option agreement, in the event of a Participant ceasing to be a director, officer, employee or Service Provider of the Company or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant and the termination by the Company or a Subsidiary of the employment of the Participant, prior to the Expiry Time, the Participant's Option may be exercised as to such of the Common Shares in respect of which the Option has not previously been exercised (and as the Participant would have been entitled to exercise) at any time up to and including (but not after) the earlier of the Expiry Time and a date that is ninety (90) days following the effective date of such notice of resignation or retirement or a date that is ninety (90) days following the date notice of termination of employment is given by the Company or a Subsidiary, subject to such shorter period as may be otherwise specified in a stock option agreement, whether such termination is with or without reasonable notice, after which date such Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.2 In consideration of the Option granted hereunder to a Participant, in the event of the resignation or retirement of the Participant or the termination of the Participant's employment by the Company without cause, the Participant hereby covenants not to sue the Company for damages arising from the loss of rights granted hereunder and releases the Company from any damages.

11.3 In the event of the death of a Participant on or prior to the Expiry Time, the deceased Participant's Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representatives of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is one (1) year from the date of death of the Participant, subject to such shorter period as may be otherwise specified in a stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.4 In the event of the Permanent Disability of a Participant on or prior to the Expiry Time, such Option may be exercised as to such of the Common Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to exercise) by the legal personal representatives of the Participant, at any time up to and including (but not after) the earlier of the Expiry Time and a date that is six (6) months from the date of Permanent Disability of the Participant, subject to such shorter period as may be otherwise specified in a stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

11.5 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Company or any Subsidiary.

12. Transferability

12.1 All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or to the extent, if any, permitted by the Exchange. In any event, such options may not be exercised by a person in the United States in the absence of an exemption from the registration requirements of applicable United States securities laws.

13. Amendment or Discontinuance of Plan

13.1 The Board may amend or discontinue the Plan at any time without the consent of the Participants, provided that such amendment shall not alter or impair any Option previously granted under the Plan except as permitted herein, and that such amendment or discontinuance has been approved by the Exchange, and where necessary, by the shareholders.

14. Participants' Rights

14.1 A Participant shall not have any rights as a shareholder of the Company until the issuance of a certificate for Common Shares, upon the exercise of an Option or a portion thereof, and then only with respect to the Common Shares represented by such certificate or certificates.

14.2 Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Company or any Subsidiary or affect in any way the right of the Company or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any agreement contemplated in Section 4.1 or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Subsidiary to extend the employment of any Participant beyond the time such Participant would normally retire pursuant to the provisions of any present or future retirement plan of the Company or any Subsidiary, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Company or any contract of employment with the Company or any Subsidiary.

15. Approvals

15.1 This Plan shall be subject, if applicable, to the approval of the Exchange or other regulatory body having jurisdiction at that time and, if so required thereby, to the approval of the shareholders of the Company.

15.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

16. Government Regulation

16.1 The Company's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Company shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any stock exchange on which such Common Shares may then be listed; and
- (c) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Common Shares as the Company determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

In this regard, the Company shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares and for the listing of such Common Shares on the Exchange, in compliance with applicable securities laws. If any shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such shares shall terminate and the Option Price paid to the Company will be returned to the Participant.

17. Costs

17.1 The Company shall pay all costs of administering the Plan.

18. Interpretation

18.1 This Plan shall be governed by and construed in accordance with the laws of the Province of British Columbia.

19. Compliance with Applicable Law

19.1 If any provision of the Plan or the grant or exercise of any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body or the Exchange, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

20. Effective Date of Plan

20.1 The Plan has been adopted by the Board subject to the approval of the shareholders of the Company and, if so approved, the Plan shall become effective as of the date of adoption of the Plan by the shareholders of the Company.

20.2 The shareholders of the Company approved the Plan on ●, 2006.

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