

**EFFICACIOUS ELK CAPITAL CORP.**

**SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON  
Monday February 14, 2022**

**EFFICACIOUS ELK CAPITAL CORP.**

480 - 1500 West Georgia Street  
Vancouver, BC, V6G 2Z6

Tel: (604) 684-4535

Fax: (888) 829-4124

**Management Information Circular  
as at January 20, 2022**

unless otherwise noted

**PERSONS MAKING THE SOLICITATION**

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation of proxies by management of Efficacious Elk Capital Corp. (the “**Company**”) for use at a special meeting of shareholders of the Company to be held at **11 a.m. (PST)**, on **Monday, February 14, 2022, at 480 – 1500 West Georgia Street, Vancouver, BC** and any adjournment or postponement thereof (the “**Meeting**”), for the purposes set forth in the accompanying notice of meeting (the “**Notice**”).

**COVID-19 PROCEDURES**

**AS A RESULT OF THE GOVERNMENTAL PROHIBITION AGAINST GROUP GATHERINGS AND TO HELP REDUCE THE SPREAD OF COVID-19, ONLY REGISTERED SHAREHOLDERS AND/OR THEIR APPOINTEES MAY ATTEND THE MEETING IN PERSON. IN ADDITION, THE COMPANY STRONGLY ENCOURAGES ALL SHAREHOLDERS TO NOT ATTEND THE MEETING IN PERSON AND TO VOTE THEIR SHARES BY COMPLETING AND RETURNING THE ENCLOSED FORM OF PROXY, AS DESCRIBED BELOW.**

**ANY REGISTERED SHAREHOLDER WHO WISHES TO ATTEND THE MEETING MUST WEAR A MASK AND MUST OBSERVE ALL APPROPRIATE SOCIAL DISTANCING GUIDELINES IN FORCE AT THE DATE OF THE MEETING.**

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

All costs of solicitation by management will be borne by the Company. In addition to the solicitation of proxies by mail, directors, officers and employees may solicit proxies personally, by telephone or facsimile, but will not receive compensation for so doing.

**Appointment of Proxy**

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors (“**Directors**”) of the Company or the Company’s counsel and were designated by management of the Company. **A shareholder wishing to appoint some other person who need not be a shareholder to represent the shareholder at the Meeting has the right to do so, by striking out the names of those persons named in the**

**accompanying form of Proxy and inserting such other person's name in the blank space provided in the form of Proxy or by completing another form of Proxy.**

Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**") by fax within North America at 1-866-249-7775, outside North America at 1-416-263-9524, or by mail or hand delivery to Computershare Investor Services Inc., 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1;
- (b) using a touch-tone phone to transmit voting choices to a toll free number. The toll free number to call is 1-800-564-6253 within North America and 1-416-263-9200 outside North America. Shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy for the shareholder's account number and the Proxy access number; or
- (c) going to the following web site: [www.investorvote.com](http://www.investorvote.com) and following the instructions.

A Proxy will not be valid unless the completed, dated and signed form of Proxy is received by Computershare not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting, or any adjournment or postponement thereof.

**Revocability of Proxy**

A Shareholder who has given a Proxy may revoke it by an instrument in writing:

- (a) executed by the shareholder or by the shareholder's attorney authorized in writing or, where the shareholder is a company, by a duly authorized officer or attorney of the company; and
- (b) delivered to either:
  - (i) Computershare Investor Services Inc., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or
  - (ii) the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries (as defined below) to revoke the Proxy on their behalf. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

**EXERCISE OF DISCRETION**

Shares represented by properly executed Proxies in favour of persons designated in the enclosed form of Proxy will, where a choice with respect to any matter to be acted upon has been specified in the form of Proxy, be voted in accordance with the specification made. In the absence of any such specification, the

Proxy will be voted as recommended by management. Where directions are given by the shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

The enclosed form of Proxy, when properly signed, confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters which may be properly brought before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters, which are not now known to management, should properly come before the Meeting, then the Management designees intend to vote in accordance with the judgment of management.

### **NON-REGISTERED HOLDERS**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Some shareholders of the Company are “non-registered” shareholders (“**Non-Registered Holders**”) because the shares they own are not registered in their names but are instead registered in the name of (a) a brokerage firm, bank, trust company, trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans; or (b) a clearing agency such as CDS & Co. (any of the foregoing, an “**Intermediary**”). **If you are a Non-Registered Holder, your shares can only be voted by the Intermediary in accordance with instructions received from you.**

In accordance with securities regulatory policy, the Company has distributed copies of the Notice, this Information Circular and the Proxy (collectively, the “**Meeting Materials**”) to the Intermediaries for distribution to Non-Registered Holders. Each Intermediary has its own form of proxy and mailing procedures. Therefore, **if you receive the Meeting Materials from an Intermediary, you should carefully review the voting instructions provided by your Intermediary to ensure that you direct the voting of your shares in accordance with those instructions.**

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”), who typically sends a voting instruction form (“**VIF**”) to Non-Registered Shareholders requesting them to provide voting instructions. **Please note a Broadridge VIF cannot be used to vote directly at the Meeting. If you are a Non-Registered Shareholder with a Broadridge VIF, you must follow the procedures set out by Broadridge, well in advance of the Meeting, for voting directly at the Meeting.**

Non-Registered Shareholders who wish to attend the Meeting and indirectly vote as proxyholder for the registered shareholder should contact their Intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a proxyholder.

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

Except as disclosed herein, no person: (a) who has been a Director or executive officer at any time since the commencement of the Company’s last financial year; (b) who is a proposed nominee for election as a Director; or (c) who is an associate or affiliate of a person included in subparagraphs (a) or (b), has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than the election of Directors and the appointment of auditors and as set out herein.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company's authorized capital consists of an unlimited number of common shares without par value ("**Elk Common Shares**"). As at December 30, 2021, (the "**Record Date**"), there were 6,100,005 Elk Common Shares issued and outstanding. Each Elk Common Share carries the right to one vote in respect of any matter that may come before the Meeting.

Any shareholder of record at the close of business on the Record Date who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified herein, subject to the provisions described above, shall be entitled to vote or to have such shareholder's shares voted at the Meeting.

In accordance with the accompanying Notice of Meeting, this Information Circular contains both ordinary resolutions, requiring for its approval a majority of the votes in respect of the resolution, and special resolutions, requiring for its approval, at least two-thirds (2/3) of the votes cast at the Meeting in favour of the resolution. In addition, the Share Amendment Resolution (as defined herein) must be approved by Majority of the Minority Approval (as defined herein) obtained in accordance with the requirements of the TSX Venture Exchange.

To the best of the knowledge of the Directors and executive officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Elk Common Shares.

### **PROPOSED QUALIFYING TRANSACTION**

As announced by a news release dated November 16, 2021, the Company has entered into a definitive merger agreement dated November 15, 2021 (the "**Merger Agreement**") with MiMedia Inc. ("**MiMedia**") pursuant to which a newly incorporated, wholly-owned Delaware subsidiary of the Company, Elk Media Inc. ("**Elk Subco**"), will merge with MiMedia (the "**Merger**") to complete the Company's "Qualifying Transaction" (the "**Qualifying Transaction**") (within the meaning of Policy 2.4 – Capital Pool Companies ("**CPC Policy**") of the TSX Venture Exchange (the "**Exchange**")) subject to certain conditions, including applicable shareholder, director and Exchange approvals.

The Merger is structured as a reverse-triangular merger under the Delaware *General Corporation Law*, pursuant to which, among other things, (i) MiMedia will merge with Elk Subco and MiMedia, as the surviving corporation in the Merger, will become a wholly-owned subsidiary of the Company; and (ii) the shareholders of MiMedia (pre-Qualifying Transaction) will hold a significant majority of the outstanding shares of the Resulting Issuer (as defined herein) following the Qualifying Transaction. Upon completion of the Qualifying Transaction, the Company intends to change its name to "MiMedia Holdings Inc." (the "**Resulting Issuer**") and will hold all of the assets, and continue the business, of MiMedia. All references herein to the "**Resulting Issuer**" refer to the Company after the completion of the Qualifying Transaction, and references to the "**Resulting Issuer Shares**" refer to the issued and outstanding shares of the Resulting Issuer (being collectively the Resulting Issuer Subordinate Voting Shares and the Resulting Issuer Multiple Voting Shares (as defined herein)).

**THE QUALIFYING TRANSACTION IS NOT SUBJECT TO SHAREHOLDER APPROVAL AND SHAREHOLDERS ARE NOT BEING ASKED TO APPROVE THE QUALIFYING TRANSACTION.**

The Qualifying Transaction is however very important to the Company and certain matters to be considered at the Meeting are necessary in order to prepare the Company to complete the Qualifying Transaction. Full details regarding MiMedia and the Qualifying Transaction will be disclosed by the Company in a filing statement (the "**Filing Statement**") to be prepared and filed under the CPC Policy. The Filing Statement will be posted on SEDAR at [www.sedar.com](http://www.sedar.com) prior to the completion of the Qualifying Transaction. Management of the Company will endeavor to post the Filing Statement on SEDAR as quickly as possible; however, the posting thereof may not occur until on or about the date of the Meeting or thereafter.

Shareholders are urged to review the press releases issued by the Company on November 16, 2021 announcing and describing the Qualifying Transaction and the entering into of the Merger Agreement as well as the Filing Statement if, as, and when filed on SEDAR as it will contain important disclosure regarding the Resulting Issuer and the Qualifying Transaction.

Subject to the receipt of all requisite approvals, including from the Exchange, the Qualifying Transaction is anticipated to close in March 2022. Certain of the resolutions sought to be passed by the shareholders at the Meeting will be conditions to the completion of the Qualifying Transaction. Failure to pass these resolutions could impede or prevent the completion of the Qualifying Transaction.

### **Business of the Meeting**

In connection with, or as a condition to, the completion of the Qualifying Transaction, the Company has agreed to, among other things, call the Meeting to seek the approval of shareholders, conditional upon and effective as of the completion of the Qualifying Transaction:

- 1) to decrease the number of directors of the Company to five and elect the directors of the Company to serve from the effective time of the completion of the Qualifying Transaction until the next annual meeting of shareholders of the Company or until their successors are elected or appointed, as more fully described herein;
- 2) to appoint a new auditor of the Company, McGovern Hurley LLP, and to authorize the directors of the Company to fix the auditors' remuneration;
- 3) to complete a consolidation of the Elk Common Shares prior to the Merger on the basis of 0.52083 of a post-consolidation Elk Common Share for every one (1) pre-consolidation Elk Common Share;
- 4) to change the Company's name to "MiMedia Holdings Inc.", or such other name as the directors may determine in their discretion and that may be acceptable to the Exchange (the "**Name Change**");
- 5) to amend the articles of the Company to provide for (i) the amendment of the rights and restrictions of the Elk Common Shares and the re-designation of the issued and outstanding Elk Common Shares as "subordinate voting shares" (such shares being the "**Resulting Issuer Subordinate Voting Shares**"); and (ii) the creation of a new class of shares in the capital of the Company designated as "multiple voting shares" (such shares being the "**Resulting Issuer Multiple Voting Shares**"); and
- 6) to adopt a new stock option plan for the Company (the "**Resulting Issuer Option Plan**") under which the Resulting Issuer may issue stock options.

Upon the satisfaction or waiver of the conditions to the completion of the Qualifying Transaction and the receipt of all requisite approvals, including from the Exchange for the listing of the Resulting Issuer Shares, the parties will complete the Qualifying Transaction.

### **MATTERS TO BE BROUGHT BEFORE THE MEETING**

To the knowledge of the board of directors of the Company (the “**Board**” or “**Board of Directors**”), the only matters to be brought before the Meeting are set forth in the accompanying Notice of Meeting. These matters are described in more detail under the headings below.

#### **1. RESULTING ISSUER DIRECTORS**

The Board presently consists of six (6) directors being David W. Smalley, Edward T. L. Cheung, Michael B. Harrison, Eugene A. Hodgson, Rodney W. Reum and Hooi Hing (Henry) Lee.

It is intended that David W. Smalley, an existing director of the Company, will continue as a director of the Resulting Issuer, such continuance not requiring shareholder consent.

At the Meeting, shareholders of the Company will be asked to fix, conditional upon, and effective as of the completion of the Qualifying Transaction, the number of directors of the Company at five (5), and to elect, conditional upon and effective as of the completion of the Qualifying Transaction, the directors of the Company (being the “**Resulting Issuer Directors**”) (in addition to David W. Smalley) to hold offices from the effective time of the completion of the Qualifying Transaction until the next annual meeting of the Company's shareholders or until the successors of such directors are elected or appointed.

It is proposed that the Resulting Issuer Directors (in addition to existing Company director David W. Smalley) will be Chris Giordano, Cole Brodman, Seth Solomons and John MacPhail. It is a condition to the completion of the Qualifying Transaction that the Resulting Issuer Directors, comprised of the foregoing four (4) individuals, all of whom are nominees of MiMedia, be elected, effective as at the completion of the Qualifying Transaction, as directors of the Resulting Issuer.

At the time of the Meeting, the Qualifying Transaction will not yet have been completed and there can be no assurance at that time that it will be completed.

At the Meeting, shareholders will be asked to consider, and, if thought appropriate, to pass an ordinary resolution, the text of which is as follows (the “**Election Resolution**”):

***“BE IT HEREBY RESOLVED as an ordinary resolution of the Company that:***

- 1. Conditional upon, and effective as of the completion of the Qualifying Transaction (as defined in the management information circular of the Company dated January 20, 2022), the number of directors of the Company be fixed at five (5).*
- 2. As part of the closing of the Qualifying Transaction, the election of each of Chris Giordano, Cole Brodman, Seth Solomons and John MacPhail, as directors of the Company to hold office from the effective time of the Qualifying Transaction until the next annual meeting of the shareholders of the Company or until their successors are elected, is hereby approved.*

3. Any officer or director of the Company is, and the agents of the Company are, hereby authorized and directed for and on behalf of the Company to execute and deliver, under corporate seal of the Company or otherwise, and all such other documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the above resolutions.”

The persons designated as proxyholders in the accompanying Proxy (absent contrary directions) intend to vote FOR the Election Resolution as set forth above and therein. The Company does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying Proxy will be voted for another nominee in their discretion unless the shareholder has specified in his or her form of proxy that his or her Elk Common Shares are to be withheld from voting in the election of directors. Each director elected as a Resulting Issuer Director will hold office from the completion of the Qualifying Transaction until the next annual meeting of shareholders or until their successors are elected or appointed, unless his or her office is earlier vacated in accordance with the articles of the Company or the provisions of the Business Corporations Act (British Columbia). If the Qualifying Transaction is not completed, the current directors of the Company will continue to hold office until the next annual meeting of shareholder or until their successors are elected or appointed.

See below for detailed information concerning the Resulting Issuer Directors:

**Resulting Issuer Directors**

The following table sets forth the name of each of the persons proposed to be nominated as a Resulting Issuer Director as well as continuing director David W. Smalley, such persons’ jurisdiction and municipality of residence, all offices in the Company now held by such persons, such persons’ principal occupation within the five preceding years, the period of time during which the persons have served as directors of the Company, and the number and percentage of Elk Common Shares beneficially owned by such persons, directly or indirectly, or over which the person exercises control or direction, as of the date of this Information Circular:

Name, Province and Country of Residence and Current Position with the Company	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)</sup>	Principal Occupation for the Past Five Years <sup>(1)</sup>
<b>Chris Giordano</b> New York, USA <i>Director and CEO</i> <i>Nominee</i>	N/A	Nil	Chief Executive Officer and President of MiMedia from March 2009 to present
<b>Cole Brodman <sup>(2)</sup></b> Washington, USA <i>Director Nominee</i>	N/A	Nil	Chief Executive Officer of M87, Inc. from November 2016 to April 2019; General Manager of XCOM Labs from April 2019 to April 2020; Co-Founder of 50 Moves

Name, Province and Country of Residence and Current Position with the Company	Director Since	Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised <sup>(1)</sup>	Principal Occupation for the Past Five Years <sup>(1)</sup>
			Ventures LLC from May 2021 to present
<b>Seth Solomons</b> <sup>(2)</sup> New York, USA <i>Director Nominee</i>	N/A	Nil	Chief Executive Officer of Eastlake Advisory Group from April 2021 to Present;  Global Chief Marketing Officer at Equinox Group from September 2015 to April 2019; Chief Executive Officer (North America) of Wunderman Worldwide LLC from September 2015.
<b>John MacPhail</b> <sup>(2)</sup> Barcelona, Spain <i>Director Nominee</i>	N/A	Nil	Formerly Chairman and President of I-5 Holdings Ltd. and President of Global Securities Corp.; Chief Executive Officer at Wealthcraft Capital, Inc. from September 2018 to August 2019; Currently Chief Executive Officer of Frontier Wellness Management Inc.; Chief Executive Officer and President of Pacific Arc Resources Ltd. from January 2018 to present; Chief Executive Officer at Valencia Capital Inc. from June 2019 to present
<b>David W. Smalley</b> British Columbia, Canada <i>Director</i>	Mar. 22, 2017	333,335	Solicitor, President and owner of David Smalley Law Corp. from March 2013 to present.

**Note:**

- (1) Based on information as at January 20, 2022 as provided by the proposed Resulting Issuer Directors themselves.
- (2) Proposed member of the Audit Committee of the Resulting Issuer.

Biographical information regarding the Resulting Issuer Directors, including existing Company director David W. Smalley, is set out below:

**Chris Giordano (Proposed Director and Chief Executive Officer of the Resulting Issuer)**

Mr. Giordano is the current Chief Executive Officer and a Director of MiMedia. Mr. Giordano has successfully funded, grown and exited technology, media and telecom companies for more than 22 years. Before founding MiMedia, Mr. Giordano was a director at Baker Capital Corp., a US\$1.5 billion private equity firm based in New York City, New York. At Baker Capital Corp., Mr. Giordano served as a key contributor in more than US\$500 million of investments, with some private investments in the “Cloud” industry resulting in more than US\$1 billion of exits. Prior to Baker Capital Corp., Mr. Giordano started his career at Merrill Lynch in New York City, New York as an investment banker in the number one ranked Telco banking team globally. Due to his growing expertise in Internet infrastructure platforms, Merrill Lynch recruited Mr. Giordano to launch equity research coverage on the first group of “Cloud” or Internet infrastructure companies. Mr. Giordano and team launched coverage on 16 companies and earned top institutional investor rankings for their work.

**Cole Brodman (Proposed Director of the Resulting Issuer)**

Mr. Brodman is a 30-year veteran of the telecommunications and technology industries. He was the former Chief Technology Officer and separately Chief Marketing Officer during his 17 years as a key member of the T-Mobile USA leadership team. During his tenure at T-Mobile and its predecessor, VoiceStream Wireless, Mr. Brodman helped lead the business from pre-launch stage to a national leader in wireless innovation with \$20 billion in revenue and over 30 million customers. Mr. Brodman has also spent time as the Chief Executive Officer of a telecommunication software business, a partner at Trilogy Equity and served on boards of several scaling technology companies.

**Seth Solomons (Proposed Director of the Resulting Issuer)**

Mr. Solomons brings over 30 years of global marketing experience in advertising, media, integrated marketing, data, and technology. He was most recently the CMO of Equinox, a premier luxury fitness club and hotel brand headquartered in NYC. Mr. Solomons has also been a C-level executive at some of the largest marketing agencies in the world, including Wunderman (CEO of North America for 4 years), RGA (President of US) and Digitas (Global Chief Marketing Officer for 12 years).

**John MacPhail (Proposed Director of the Resulting Issuer)**

Mr. MacPhail brings more than 30 years of business experience in Canada, as a former president, chief executive officer, officer, director and audit committee member of many Canadian-based public companies that span the financial services, mining, healthcare and technology industries. Currently, he is President, Chief Executive Officer & a director at Pacific Arc Resources Ltd. and Chairman and Chief Executive Officer of Frontier Wellness Management Inc. John D. MacPhail is also on the board of five other companies. In the past, Mr. MacPhail occupied the position of Chief Executive Officer of Union Securities Ltd. and was President of Global Securities Corporation.

**David W. Smalley (Director of Elk and to continue as a Director of the Resulting Issuer)**

Mr. Smalley is an existing director of the Company. He is the principal of David Smalley Law Company where he practices Corporate and Securities law, prior to which he was a partner at Fraser and Company LLP in Vancouver, BC. He was called to the bar of the Law Society of British Columbia in 1989. Mr. Smalley earned a Bachelor of Laws degree from the University of British Columbia in 1988 and a Bachelor of Arts

degree from the University of Victoria in 1985. He has been an officer and director of numerous public companies over the last 25 years as well as serving as chair of numerous audit and governance committees. Mr. Smalley was one of the founders of Canaco Resources (now Orca Gold Corp.) and was a director and chair of the audit committee of Scorpio Gold Company until November 2017. He currently serves as a Chairman and Director of Fabled Silver Gold Corp. and Fabled Copper Corp.

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

None of the nominees proposed to be Director is or, within the 10 years before the date hereof, has been:

- (a) a director or executive officer of any company (including the Company) that:
  - (i) while that person was acting in that capacity or after the person ceased to be a director or executive officer but which resulted from an event that occurred while that person was acting in the capacity, was subject to an order; or
  - (ii) while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the nominee;
- (c) subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

## **2. CHANGE OF AUDITOR**

The current auditor of the Company is Davidson and Company LLP. If the Qualifying Transaction is completed, it will be desirable to change the auditor of the Company to McGovern Hurley LLP, the current auditor of MiMedia. At the time of the Meeting, the Qualifying Transaction will not yet have been completed and there can be no assurance at that time that it will be completed.

In order dispense with the need to call an additional meeting of shareholders to approve a change of auditor following completion of the Qualifying Transaction, the shareholders will be asked at the Meeting to consider and, if thought appropriate, to pass an ordinary resolution, the text of which is as follows (the "**Auditor Resolution**"):

**"BE IT RESOLVED as an ordinary resolution of the shareholders that:**

1. *As part of the closing of the Qualifying Transaction (as defined in the management information circular of the Company dated January 20, 2022), the appointment of McGovern Hurley LLP as auditor of the*

*Company to hold office from 12:01 a.m. on the first day following the date on which the Qualifying Transaction is completed until the next annual meeting of the shareholders is hereby authorized and approved;*

2. *The Board is hereby authorized to fix the remuneration of the auditor so appointed;*
3. *Notwithstanding that this resolution has been duly passed by the shareholders of the Company, the Board may revoke such resolution at any time before it is effected without further action by the shareholders; and*
4. *Any director or officer of the Company, is hereby authorized and directed, for and in the name of and on behalf of the Company, to do all such acts and things and to execute, or cause to be executed, under the corporate seal of the Company or otherwise, and to deliver, or cause to be delivered, such other agreements, certificates, documents and instruments, as may in the opinion of such director or officer of the Company be necessary or advisable to carry out and to fulfill the intent of the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."*

In order to be passed, the Auditor Resolution requires the approval of a majority of the votes cast thereon by holders of Elk Common Shares present in person or represented by proxy at the Meeting.

Davidson and Company LLP has agreed to resign as the auditors of the Company as of 12:01 a.m. on the first day following the date on which the Qualifying Transaction is completed. The determination to change the auditor of the Company has been made in the context of the Qualifying Transaction and not because of any reportable event (as that term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations*).

**The Board recommends that shareholders vote in favour of the Auditor Resolution.** Approval by the shareholders of the Auditor Resolution is a condition precedent to the completion of the Qualifying Transaction. If the Auditor Resolution does not receive the requisite approval, the Qualifying Transaction will not proceed, unless such condition precedent is waived by MiMedia.

**The persons designated as proxyholders in the accompanying Proxy (absent contrary directions) intend to vote FOR the Auditor Resolution as set forth above and therein.**

### **3. CONSOLIDATION**

In connection with the Qualifying Transaction, the Company intends to issue a combination of Resulting Issuer Subordinate Voting Shares and Resulting Issuer Multiple Voting Shares as consideration to the shareholders of MiMedia. In order to align the value of the Elk Common Shares to the price per Elk Common Share at which the Qualifying Transaction will be completed, the Company proposes that, subject to obtaining all required regulatory approvals, prior the completion of the Qualifying Transaction the issued and outstanding Elk Common Shares be consolidated (the "**Consolidation**") on the basis of 0.52083 of a post-Consolidation Elk Common Share for every one (1) pre-Consolidation Elk Common Share, or such other ratio within a range of (a) 0.1 of a post-Consolidation Elk Common Share for every one (1) pre-Consolidation Elk Common Share; and (b) 0.9 of a post-Consolidation Elk Common Share for every (1) pre-Consolidation Elk Common Share, as may be determined by the Board in its sole discretion.

If approved and implemented, the Consolidation will occur immediately before the closing of the Qualifying Transaction and will occur simultaneously for all of the issued and outstanding Elk Common Shares. The Consolidation will affect all holders of Common Shares uniformly and will not affect any Shareholder's percentage ownership interest in the Corporation, except to the extent that the Consolidation would otherwise result in any shareholder owning a fractional Common Share. No fractional common shares shall be issued in connection with the Consolidation and, in the event a shareholder would otherwise be entitled to receive a fractional Elk Common Share in connection with the Consolidation, the number of Elk Common Shares to be received by such shareholder shall be rounded down to the next lowest whole number.

As the Company currently has an unlimited number of Elk Common Shares authorized for issuance, the Consolidation will not have any effect on the number of Elk Common Shares that remain available for future issuance. As of the date hereof, the Company has 6,100,005 pre-Consolidation Elk Common Shares issued and outstanding. Upon completion of the Consolidation, the number of post-Consolidation Elk Common Shares issued and outstanding, without giving effect to the Qualifying Transaction, will be approximately 3,177,083 post-Consolidation Elk Common Shares (on a non-diluted basis).

If the Consolidation is effected, the exercise or conversion price and the number of Elk Common Shares issuable under outstanding incentive stock options will be proportionately adjusted. As of the date hereof, the Company had 610,000 pre-Consolidation stock option of the Company issued and outstanding entitling the holders thereof to purchase one Elk Common Share at an exercise price of \$0.10 per share until December 5, 2028, in accordance with the terms of the Company's stock option plan. Upon completion of the Consolidation, the number of post-Consolidation stock options of the Company issued and outstanding, without giving effect to the Qualifying Transaction, will be approximately 317,706 post-Consolidation stock options of the Company each exercisable to purchase one Elk Common Share at an exercise price of \$0.19 per Elk Common Share.

The Consolidation will only be effected if the Qualifying Transaction is completed. However, notwithstanding the approval by the shareholders, the Board may, in its discretion and without further shareholder action, revoke the Consolidation Resolution (as defined below) and not implement the Consolidation.

To be effective, the special resolution authorizing the Consolidation must be approved by the affirmative vote of not less than two-thirds (2/3) of the votes cast by the holders of Elk Common Shares present in person or represented by proxy at the Meeting. If the resolution authorizing the Consolidation does not receive the requisite shareholder approval, the Company will continue with its present share capital and the Qualifying Transaction may not proceed.

At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass a special resolution, the text of which is as follows (the "**Consolidation Resolution**"):

***"BE IT HEREBY RESOLVED as a special resolution of the Company that:***

- 1. The Company is hereby authorized to alter its share structure by consolidating (the "**Consolidation**") each of the issued and outstanding common shares of the Company on the basis of 0.52083 of a post-Consolidation common share for every one (1) pre-Consolidation common share, or such other ratio within a range of (a) 0.1 of a post-Consolidation Elk Common Share for every one (1) pre-Consolidation Elk Common Share; and (b) 0.9 of a post-Consolidation Elk Common Share for every (1) pre-Consolidation Elk Common Share, as may be determined by the Board in its sole discretion.*

2. *No fractional common shares shall be issued in connection with the Consolidation and, in the event a shareholder would otherwise be entitled to receive a fractional common share in connection with the Consolidation, the number of common shares to be received by such shareholder shall be rounded down to the next lowest whole number.*
3. *Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver, under corporate seal of the Company or otherwise all documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the above resolutions.*
4. *Notwithstanding that this resolution has been passed by the shareholders of the Company, the board of directors be and are hereby authorized and empowered, without further approval of the shareholders of the Company, to determine the Consolidation ratio (within the above-noted range) or to revoke this resolution at any time before the Consolidation becomes effective."*

**The Board recommends that shareholders vote in favour of the Consolidation Resolution.** Approval by the shareholders of the Consolidation Resolution is a condition precedent to the completion of the Qualifying Transaction. If the Consolidation Resolution does not receive the requisite approval, the Qualifying Transaction will not proceed, unless such condition precedent is waived by MiMedia.

**The persons designated as proxyholders in the accompanying Proxy (absent contrary directions) intend to vote FOR the Consolidation Resolution as set forth above and therein.**

#### **4. NAME CHANGE**

Upon completion of the Qualifying Transaction, it is intended that the business of MiMedia as currently constituted will be the business of the Company. In connection with the Qualifying Transaction, the Company intends to change its name to "MiMedia Holdings Inc.", or such other name as the Board, in its sole discretion, deems appropriate (the "**Name Change**"). The purpose of the Name Change is to have a corporate name that better reflects the Company's strategy to focus on the existing business of MiMedia following the completion of the Qualifying Transaction.

At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass a special resolution authorizing the Name Change. To be effective, the resolution in respect of the Name Change must be approved by the affirmative vote of not less than two-thirds (2/3) of the votes cast by the holders of Elk Common Shares present in person or represented by proxy at the Meeting. If the resolution authorizing the Name Change does not receive the requisite shareholder approval, the Company will continue with its present name and the Qualifying Transaction may not proceed.

At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass a special resolution, the text of which is as follows (the "**Name Change Resolution**"):

**"BE IT HEREBY RESOLVED as a special resolution of the Company that:**

1. *Effective upon the filing of a Notice of Alteration to a Notice of Articles with the Registrar of Companies, the name of the Company be changed from Efficacious Elk Capital Corp. to MiMedia Holdings Inc. or such other name as the directors may determine in their sole discretion.*
2. *The Articles of the Company be altered accordingly.*

3. *Any officer or director of the Company is, and the agents of the Company are, hereby authorized and directed for and on behalf of the Company to execute and deliver, under corporate seal of the Company or otherwise, all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable to give full effect to the above resolutions.*
4. *Notwithstanding that this resolution has been passed by the shareholders of the Company, the board of directors be and are hereby authorized and empowered, without further approval of the shareholders of the Company, to revoke this resolution at any time before the Notice of Articles to be issued by the Registrar of Companies upon receipt of such Notice of Alteration becomes effective."*

**The Board recommends that shareholders vote in favour of the Name Change Resolution.** Approval by the shareholders of the Name Change Resolution is a condition precedent to the completion of the Qualifying Transaction. If the Name Change Resolution does not receive the requisite approval, the Qualifying Transaction will not proceed, unless such condition precedent is waived by MiMedia.

**The persons designated as proxyholders in the accompanying Proxy (absent contrary directions) intend to vote FOR the Name Change Resolution as set forth above and therein.**

## 5. SHARE AMENDMENT

In connection with, and as a condition precedent to the completion of, the Qualifying Transaction, the Company is proposing that the shareholders pass, with or without variation, a special resolution (the "**Share Amendment Resolution**") authorizing an amendment to the notice of articles of the Company and the Articles of the Company, whereby the existing Articles will be replaced in their entirety with the Resulting Issuer Articles set out in Schedule A hereto in order to:

- (i) amend the rights and restrictions of the Elk Common Shares, which will be re-designated as subordinate voting shares (such shares being the Resulting Issuer Subordinate Voting Shares having the special rights and restrictions described in Article 27 of Schedule A hereto); and
- (ii) create a new class of shares designated as multiple voting shares (such shares being the Resulting Issuer Multiple Voting Shares) that will have the special rights and restrictions described in Article 27 of Schedule A hereto;

(collectively, the "**Share Amendment**").

The Subordinate Voting Shares and the Multiple Voting Shares will have substantially the special rights and restrictions set out in Article 27 of Schedule A hereto. The authorized capital of the Resulting Issuer will consist of an unlimited number of Resulting Issuer Subordinate Voting Shares and an unlimited number of Resulting Issuer Multiple Voting Shares.

The Multiple Voting Shares are being proposed in order to minimize the proportion of the outstanding voting securities of the Company that are held by "U.S. persons" for purposes of determining whether the Company is a "foreign private issuer" for purposes of United States securities laws.

It is a condition precedent to the completion of the Qualifying Transaction that the shareholders approve the Share Amendment as a special resolution and obtain Majority of the Minority Approval for the Share Amendment. If the Share Amendment does not receive the requisite approvals, the Qualifying Transaction will not proceed, unless such condition precedent is waived by MiMedia.

**"Majority of the Minority Approval"** means the approval, at a properly constituted meeting of the holders of shares of the Company of a resolution to create a class or series of multiple voting shares, by a majority of the votes cast by the holders of shares of the Company who vote at the Meeting, other than Promoters (as defined under the Exchange policies), directors, officers or other Insiders (as defined under the Exchange policies) of the Company and of any proposed recipient of multiple voting shares and their Associates and Affiliates (as each are defined under the Exchange policies).

### **Vote Required**

To be effective, the Share Amendment Resolution (as defined herein) requires the affirmative vote of not less than two-thirds of the votes cast by shareholders present or represented by proxy and entitled to vote at the Meeting. In addition, the Share Amendment Resolution will be used to approve a "restricted security reorganization" pursuant to National Instrument 41-101 – *General Prospectus Requirements* (the "**Restricted Share Rules**"). The Restricted Share Rules require that a restricted security reorganization receive prior majority approval of the securityholders of the Company in accordance with applicable law and the Exchange Policy 3.5 – *Restricted Shares* ("**Policy 3.5**"), excluding any votes attaching to securities held, directly or indirectly, by affiliates of the Company or control persons of the Company.

For purposes of the Share Amendment Resolution, any votes attaching to shares ("**Excluded Shares**") held, directly or indirectly, by affiliates of the Company or control persons of the Company and any promoters, directors, officers or other insiders of the Company and of any proposed recipient of the restricted shares and their associates and affiliates must be excluded from voting on the Share Amendment Resolution. To the knowledge of management of the Company, there are 2,100,005 Elk Common Shares which are Excluded Shares and will be excluded from voting on the Share Amendment Resolution under the Restricted Share Rules and Policy 3.5.

### **Summary Share Terms**

The following is a summary of the special rights and restrictions attached to the Subordinate Voting Shares and the Multiple Voting Shares of the Resulting Issuer.

#### *Subordinate Voting Shares*

Right to Notice and Vote	Holders of Subordinate Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another particular class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting, holders of Subordinate Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share held.
Class Rights	As long as any Subordinate Voting Shares remain outstanding, the Resulting Issuer will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Subordinate Voting Shares.
Dividends	Holders of Subordinate Voting Shares will be entitled to receive, as and when declared by the directors of the Resulting Issuer, dividends in cash or property of the Resulting Issuer. No dividend will be declared or paid on the Subordinate Voting Shares unless the Resulting Issuer simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Multiple Voting Shares.

Participation	In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, or in the event of any other distribution of assets of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of the Resulting Issuer ranking in priority to the Subordinate Voting Shares, be entitled to participate rateably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.
Pre-Emptive Rights	Holders of Subordinate Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Resulting Issuer.
Changes	No subdivision or consolidation of the Subordinate Voting Shares or Multiple Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Multiple Voting Shares are subdivided or consolidated in the same manner, so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes.
Conversion upon an Offer	<p>In the event that an offer is made to purchase Multiple Voting Shares:</p> <ol style="list-style-type: none"> <li>(1) if there is a published market for the Multiple Voting Shares, and the offer is one which is required to be made to all or substantially all of the holders of Multiple Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (x) applicable securities laws or (y) the rules of any stock exchange on which the Multiple Voting Shares of the Resulting Issuer are listed, unless an identical offer concurrently is made to purchase Subordinate Voting Shares; or</li> <li>(2) if the Multiple Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada pursuant to (x) applicable securities laws or (y) the rules of any stock exchange had the Multiple Voting Shares been listed,</li> </ol> <p>then each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares at the inverse of the Conversion Ratio (as defined below) then in effect at any time while the offer is in effect until one day after the time prescribed by applicable securities legislation for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares under the offer, and for no other reason. In such event, the Resulting Issuer shall deposit or shall cause its transfer agent to deposit under the offer the resulting Multiple Voting Shares, on behalf of the holder.</p> <p>Should the Multiple Voting Shares issued upon conversion and tendered in response to the offer be withdrawn by shareholders or not taken up by the offeror, or should the offer be abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares being taken up and paid for, the Multiple Voting Shares resulting from the conversion shall be reconverted into Subordinate Voting Shares at the Conversion Ratio then in effect, and the Resulting Issuer shall send or cause the transfer agent to send to the holder a share certificate or acknowledgement representing the Subordinate Voting Shares.</p>

Conversion in Other Circumstances Each Subordinate Voting Share shall be convertible, in accordance with such terms and conditions as may be agreed upon by the holder thereof and the Resulting Issuer, into Multiple Voting Shares at the inverse of the Conversion Ratio then in effect.

### *Multiple Voting Shares*

Right to Vote Holders of Multiple Voting Shares will be entitled to notice of and to attend at any meeting of the shareholders of the Resulting Issuer, except a meeting of which only holders of another particular class or series of shares of the Resulting Issuer will have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could be converted as of the record date (which for greater certainty, shall initially equal five (5) votes per Multiple Voting Share.).

Class Rights As long as any Multiple Voting Shares remain outstanding, the Resulting Issuer will not, without the consent of the holders of the Multiple Voting Shares by separate special resolution, prejudice or interfere with any right attached to the Multiple Voting Shares. Consent of the holders of a majority of the outstanding Multiple Voting Shares by separate ordinary resolution shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Multiple Voting Shares.

Dividends The holders of the Multiple Voting Shares will be entitled to receive such dividends, out of any cash or other assets of the Resulting Issuer legally available therefor, *pari passu* (on an as-converted to Subordinated Voting Share basis, assuming conversion of all Multiple Voting Shares into Subordinate Voting Shares at the Conversion Ratio as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such dividend) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Multiple Voting Shares unless the Resulting Issuer simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares.

Participation In the event of the liquidation, dissolution or winding-up of the Resulting Issuer, whether voluntary or involuntary, or in the event of any other distribution of assets of the Resulting Issuer among its shareholders for the purpose of winding up its affairs, the holders of Multiple Voting Shares will, subject to the prior rights of the holders of any shares of the Resulting Issuer ranking in priority to the Multiple Voting Shares, be entitled to participate rateably along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

Pre-Emptive Rights Holders of Multiple Voting Shares will not be entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, Multiple Voting Shares, or bonds, debentures or other securities of the Resulting Issuer.

Conversion Each Multiple Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, into such number of fully paid and non-assessable Subordinate Voting Shares as is determined by application of the Conversion Ratio (as determined as hereafter provided) then in effect on the date that such Multiple Voting Share is surrendered for conversion. The “**Conversion Ratio**” shall be five (5) Subordinate Voting Shares for each Multiple

Voting Share; provided, however, that the Conversion Ratio shall be subject to adjustment as set forth below.

**Foreign Private Issuer Protection Limitation:** The Resulting Issuer will use commercially reasonable efforts to maintain its status as a “foreign private issuer” (as determined in accordance with Rule 3b-4 under the *Securities Exchange Act of 1934*, as amended (the “**Exchange Act**”). In such regard, the holders of Multiple Voting Shares shall not have the right to convert any portion of the Multiple Voting Shares to the extent that after giving effect to all permitted issuances after such conversions of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act (“**U.S. Residents**”)) would exceed forty percent (40%) (the “**40% Threshold**”) of the aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions (the “**FPI Protective Restriction**”). The directors may by resolution increase the 40% Threshold to an amount not to exceed 50% and in the event of any such increase all references to the 40% Threshold herein, shall refer instead to the amended threshold set by such resolution.

**Conversion Limitations.** In order to effect the FPI Protective Restriction, each holder of Multiple Voting Shares will be subject to the 40% Threshold based on the number of Multiple Voting Shares held by such holder as of the date of the initial issuance of the Multiple Voting Shares and thereafter at the end of each of the Resulting Issuer’s subsequent fiscal quarters (each, a “**Determination Date**”), calculated as follows:

$$X = [(A \times 0.40) - B] \times (C/D)$$

Where on the Determination Date:

X = Maximum number of Subordinate Voting Shares available for issue upon conversion of Multiple Voting Shares by a holder.

A = The aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding on the Determination Date.

B = Aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by U.S. Residents on the Determination Date.

C = Aggregate number of Multiple Voting Shares held by holder on the Determination Date.

D = Aggregate number of all Multiple Voting Shares on the Determination Date.

To the extent that requests for conversion of Multiple Voting Shares subject to the FPI Protective Restriction would result in the 40% Threshold being exceeded (determined as at the most recent Determination Date), the number of such Multiple Voting Shares eligible for conversion held by a particular holder shall be prorated relative to the number of Multiple Voting Shares submitted for conversion. To the extent that the FPI Protective Restriction applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Resulting Issuer.

**Beneficial Ownership Restriction.** The Resulting Issuer shall not effect any conversion of Multiple Voting Shares, and a holder thereof shall not have the right to convert any portion of its Multiple Voting Shares, pursuant to Section 2(f)(i) or otherwise, to the extent that after giving effect to such issuance after conversion as set forth on the applicable Conversion Notice, the holder (together with the holder's Affiliates (as defined in Rule 12b-2 under the Exchange Act), and any other persons acting as a group together with the holder or any of the holder's Affiliates), would beneficially own in excess of 9.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Multiple Voting Shares subject to the Conversion Notice (the "**Beneficial Ownership Limitation**").

To the extent that the Beneficial Ownership Limitation applies and the Resulting Issuer can convert some, but not all, of such Multiple Voting Shares submitted for conversion, the Resulting Issuer shall convert Multiple Voting Shares up to the Beneficial Ownership Limitation in effect, based on the number of Multiple Voting Shares submitted for conversion on such date. The determination of whether Multiple Voting Shares are convertible (in relation to other securities owned by the holder together with any Affiliates) and of which Multiple Voting Shares are convertible shall be in the sole discretion of the Resulting Issuer, and the submission of a Conversion Notice shall be deemed to be the holder's certification as to the holder's beneficial ownership of Subordinate Voting Shares of the Resulting Issuer, and the Resulting Issuer shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

The holder, upon written notice to the Resulting Issuer, may increase or decrease the Beneficial Ownership Limitation provisions, provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Multiple Voting Shares subject to the Conversion Notice. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Resulting Issuer.

Conversion upon an Offer

In addition to the conversion rights set out above, in the event that an offer is made to purchase Subordinate Voting Shares:

- (i) if there is a published market for the Subordinate Voting Shares, and the offer is one which is required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (x) applicable securities laws or (y) the rules of any stock exchange on which the Subordinate Voting Shares of the Resulting Issuer are listed, unless an identical offer concurrently is made to purchase Multiple Voting Shares; or
- (ii) if the Subordinate Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada pursuant to (x) Applicable Securities Laws or (y) the rules of any stock exchange had the Subordinate Voting Shares been listed,

then each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect, at any time while the offer is in effect until one day after the time prescribed by Applicable

Securities Laws for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares under the offer, and for no other reason.

If Subordinate Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Subordinate Voting Shares being taken up and paid for, the Subordinate Voting Shares resulting from the conversion will be re-converted into Multiple Voting Shares at the inverse of Conversion Ratio then in effect and the Resulting Issuer shall send, or cause its transfer agent to send, to the holder a share certificate or Acknowledgement representing the Multiple Voting Shares.

### **Share Amendment Resolution**

At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass a special resolution, the text of which is as follows (the “**Share Amendment Resolution**”):

**“BE IT RESOLVED as a special resolution of the Company:**

1. *the identifying name of all issued and outstanding common shares without par value in the capital of the Company be changed to Subordinate Voting Shares without par value in the capital of the Company, and the authorized share structure of the Company be altered accordingly;*
2. *the authorized share structure of the Company be altered by creating an unlimited number of Multiple Voting Shares without par value in the capital of the Company;*
3. *the Articles of the Company be removed in their entirety and replaced with the new Articles of the Company as set out in Schedule A of the Company’s management information circular dated January 20, 2022 (“New Articles”);*
4. *the Notice of Articles of the Company be altered accordingly, and the directors of the Company instruct its agent to file a Notice of Alteration to the Notice of Articles reflecting the above changes;*
5. *all outstanding options and any other securities granting rights to acquire shares of the Company will be affected by the alteration in accordance with the adjustment provisions contained in the instruments giving rise to the issuance of such securities;*
6. *the Company hereby appoints David Smalley Law Corp. to act as its agent for filing the Notice of Alteration to a Notice of Articles as set out in paragraph 4 above;*
7. *notwithstanding the approval of the shareholders of the Company as herein provided, the board of directors of the Company may, in its sole discretion, revoke this special resolution before it is acted upon, without further approval of the shareholders;*
8. *any director or officer be and is hereby authorized to make any and all additions, deletions and modifications to the New Articles as may be necessary or advisable to give effect to this resolution or as may be required by applicable regulatory authorities;*

9. *pursuant to the Business Corporations Act (British Columbia), it is a condition of these resolutions that the alteration to the Articles of the Company referred to in these resolutions does not take effect until the Notice of Alteration takes effect at the office of the Registrar of Companies, which shall occur only in the event that all conditions to the proposed qualifying transaction between the Company and MiMedia Inc. have been satisfied (other than conditions that may be or are intended to be satisfied only after these resolutions are implemented); and*
10. *any director or officer of the Company, signing alone, be authorized to execute and deliver all such documents and instruments, and to do such further acts, as may be necessary to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof."*

**The Board recommends that shareholders vote in favour of the Share Amendment Resolution.**

Approval by the shareholders of the Share Amendment Resolution is a condition precedent to the completion of the Qualifying Transaction. If the Share Amendment Resolution does not receive the requisite approval, the Qualifying Transaction will not proceed, unless such condition precedent is waived by MiMedia.

**The persons designated as proxyholders in the accompanying Proxy (absent contrary directions) intend to vote FOR the Share Amendment Resolution as set forth above and therein.**

## **6. RESULTING ISSUER OPTION PLAN**

Following completion of the Qualifying Transaction, and subject to the approval of shareholders at the Meeting, it is intended that the Resulting Issuer will adopt a stock option plan in substantially the form attached as Schedule B to this Information Circular (the "**Plan**"). The Plan will be the stock option plan of the Resulting Issuer following completion of the Qualifying Transaction and will be effective only after closing of the Qualifying Transaction. Capitalized terms used in this section and not otherwise defined, have the meanings ascribed thereto in the Plan attached as Schedule "B" to this Information Circular.

The purpose of the Plan will be to provide the directors, officers and employees of, and consultants to, the Resulting Issuer or its subsidiaries (for the purposes of this section, the "**Participants**") with an opportunity to purchase Resulting Issuer Subordinate Voting Shares and benefit from the appreciation thereof. This proprietary interest in the Resulting Issuer will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Resulting Issuer, thus enhancing the value of the Resulting Issuer Subordinate Voting Shares for the benefit of the shareholders of the Resulting Issuer and increasing the ability of the Resulting Issuer and its subsidiaries to attract and retain individuals of exceptional skill.

1. *Administration.* The Plan will be administered by the Board of the Resulting Issuer or by a committee of two or more member of the Board. Subject to the terms of the Plan, the Board (or the committee, if applicable) will determine the terms of each grant of Options. The Board (or the committee, if applicable) may delegate to any member of the Board or officer so designated, subject to the terms of the Plan, the power to determine the terms of each grant of Options.
2. *Grants.* The aggregate number of Resulting Issuer Subordinate Voting Shares allocated and made available to be granted to Participants under the Plan must not exceed 10% of the issued and outstanding Resulting Issuer Subordinate Voting Shares as at the date of grant (on a non-diluted basis, but on an as-converted basis as it relates to the Resulting Issuer Multiple Voting Shares).
3. *Limitations on Grants to Certain Persons.*

- (a) The aggregate number of Resulting Issuer Subordinate Voting Shares reserved for issuance pursuant to Resulting Issuer Options granted to any one Participant, other than a consultant, in any 12-month period may not exceed 5% of the Resulting Issuer's total issued and outstanding Resulting Issuer Subordinate Voting Shares (on an as-converted basis as it relates to the Resulting Issuer Resulting Issuer Multiple Voting Shares), unless disinterested shareholder approval is obtained.
  - (b) The aggregate number of Resulting Issuer Subordinate Voting Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and other security-based compensation arrangements may not exceed 10% of the Resulting Issuer's total issued and outstanding Resulting Issuer Subordinate Voting Shares (on an as-converted basis as it relates to the Resulting Issuer Multiple Voting Shares), unless disinterested shareholder approval is obtained.
  - (c) The aggregate number of Resulting Issuer Subordinate Voting Shares issued to Insiders pursuant to the Resulting Issuer Option Plan and other security-based compensation arrangements in any 12-month period may not exceed 10% of the Resulting Issuer's total issued and outstanding Resulting Issuer Subordinate Voting Shares (on an as-converted basis as it relates to the Resulting Issuer Multiple Voting Shares), unless disinterested shareholder approval is obtained.
  - (d) No more than 2% of the total issued and outstanding Resulting Issuer Subordinate Voting Shares (on an as-converted basis as it relates to the Resulting Issuer Multiple Voting Shares) at the time of grant may be granted to any one consultant in any 12-month period.
  - (e) No more than an aggregate of 2% of the total issued and outstanding Resulting Issuer Subordinate Voting Shares (on an as-converted basis as it relates to the Resulting Issuer Multiple Voting Shares) at the time of grant may be granted to all persons engaged to conduct investor relations activities in any 12-month period.
  - (f) Resulting Issuer Options granted to all persons engaged to conduct investor relations activities must vest in stages over 12 months with no more than 25% of such Resulting Issuer Options vesting in any three-month period.
4. *Cashless Exercises.* The Resulting Issuer Board may grant Resulting Issuer Options which allow a Participant, excluding an investor relations service provider, to elect to exercise its Resulting Issuer Options on a "cashless basis", whereby the Participant, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Resulting Issuer Subordinate Voting Shares, disregarding fractions, equal to the number which results when: (i) the difference between the aggregate volume weighted average price of the Resulting Issuer Subordinate Voting Shares underlying the Resulting Issuer Options and the aggregate exercise price of such Resulting Issuer Options is divided by (ii) the volume weighted average price of the underlying Resulting Issuer Subordinate Voting Shares.
5. *Exercise Price.* The exercise price of each Option shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the Exchange).
6. *Term.* The term of each Resulting Issuer Option shall be a period of time fixed by the Board, not to exceed ten years from the date of grant. The Board will determine the vesting period or periods of Options.
7. *Accelerated Vesting.* In the event that certain events such as a liquidation or dissolution of the Resulting Issuer or a re-organization, plan of arrangement, merger or consolidation of the Resulting

Issuer with one or more corporations, as a result of which the Resulting Issuer is not the surviving corporation, or the sale by the Resulting Issuer of all or substantially all of the property and assets of the Resulting Issuer to another corporation, are proposed or contemplated, the Board may exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time.

8. *Take-Over Bids.* An Option may provide that whenever the Resulting Issuer's shareholders receive a take-over bid and the Resulting Issuer supports such bid, pursuant to which the "offeror" would, as a result of such take-over bid being successful, beneficially own in excess of 50% of the outstanding Resulting Issuer Subordinate Voting Shares, the Participant may exercise an acceleration right, which would enable the Participant to exercise its unvested outstanding Options. Such acceleration right shall commence on the date of the mailing of the management information circular recommending acceptance of the take-over bid and end on the earlier of: (i) the expiry time of the applicable Options; and (ii) (A) in the event the take-over bid is unsuccessful, the expiry date of the take-over bid; and (B) in the event the take-over bid is successful, the tenth day following the expiry date of the take-over bid. Notwithstanding the foregoing, the acceleration right may be extended for such longer period as the Board may resolve.
9. *Exercises for Cash.* The Resulting Issuer may satisfy any obligations to a Participant under the Plan, excluding an investor relations service provider, by paying to the Participant in cash the difference between the exercise price of all unexercised Resulting Issuer Options granted hereunder and the volume weighted average price of the Resulting Issuer Subordinate Voting Shares to which the Participant would be entitled upon exercise of all unexercised Resulting Issuer Options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied.

As the Plan will only be adopted if the Qualifying Transaction is completed, the Board of Directors may determine not to implement the Plan after the Meeting and after receipt of necessary shareholder and regulatory approvals, without further action on the part of the shareholders. In addition, the Plan is subject to the approval and acceptance of the Exchange.

At the Meeting, shareholders will be asked to consider and, if thought appropriate, to pass an ordinary resolution, the text of which is as follows (the "**Plan Resolution**"):

**"BE IT HEREBY RESOLVED as an ordinary resolution of the Company that:**

1. *The stock option plan (the "Plan"), substantially in the form attached as Schedule "B" to the management information circular of the Company dated January 20, 2022, is hereby approved as the stock option plan of the Company with effect as at or immediately after the time of the completion of the Qualifying Transaction or such other time as the Board of Directors of the Company may determine;*
2. *the reservation under the Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of securities pursuant to the Plan be and the same is hereby authorized and approved;*
3. *any director or officer be and is hereby authorized to make any and all additions, deletions and modifications to the Plan as may be necessary or advisable to give effect to this ordinary resolution or as may be required by applicable regulatory authorities;*
4. *any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments, and to do*

*all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing; and*

5. *Notwithstanding that this resolution has been passed by the shareholders of the Company, the board of directors be and are hereby authorized and empowered, without further approval of the shareholders of the Company, to revoke this resolution at any time before the completion of the Qualifying Transaction."*

**The Board recommends that shareholders vote in favour of the Plan Resolution.** Approval by the shareholders of the Plan Resolution is a condition precedent to the completion of the Qualifying Transaction. If the Plan Resolution does not receive the requisite approval, the Qualifying Transaction will not proceed, unless such condition precedent is waived by MiMedia.

**The proposed Plan is subject to Exchange acceptance. If the Exchange finds the disclosure relating to the Plan within this Information Circular to be inadequate, such shareholder approval may not be accepted by the Exchange.**

**The persons designated as proxyholders in the accompanying Proxy (absent contrary directions) intend to vote FOR the Plan Resolution as set forth above and therein.**

## **STATEMENT OF COMPENSATION OF EXECUTIVE OFFICERS**

### **Compensation Discussion and Analysis**

As the Company is a capital pool company, as defined in the CPC Policy, the Company is prohibited from paying any kind of cash remuneration, including salaries, consulting fees, management fees or directors' fees, to Non-Arm's Length Parties until such time as it completes its Qualifying Transaction. The Company has not provided any cash compensation to its officers or directors but does pay legal fees to David Smalley Law Corporation, a sole practitioner law firm, which is wholly owned by David W. Smalley, as permitted by the CPC Policy.

The Company's process for determining other executive compensation is based upon the Company relying solely on board discussion without any formal objectives, criteria and analysis.

The Company presently has two Named Executive Officers (the "NEO") namely Eugene A. Hodgson, President and CEO and Rodney W. Reum, CFO.

Compensation for the NEOs has been established with a view to attracting and retaining executives critical to the Company's ability to identify a target for its Qualifying Transaction and to continuing to provide executives with compensation that is in accordance with existing market standards for CPCs.

Compensation of the Company's NEO's is comprised of the grant of options to purchase shares under the Company's existing stock option plan (to be replaced by the Resulting Issuer Option Plan). Through its executive compensation practices, the Company seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Company's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Company's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Company's success, and align the interests of the Company's executives and shareholders by motivating executives to increase shareholder value.

## Summary Compensation Table

The following table sets forth, for the three most recent fiscal years, the compensation of the NEOs.

NEO Name and Principal Position	Fiscal Year Ended Sept. 30	Salary	Share-Based Awards	Option-Based Awards <sup>(1)</sup>	Non-equity Incentive Plan Compensation		Pension Value	All Other Compensation	Total Compensation
					Annual Incentive Plans	Long-term Incentive Plans			
Eugene A. Hodgson President, CEO & Director	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	\$7,633.46	Nil	Nil	Nil	Nil	\$7,633.46
Rodney W. Reum CFO & Director	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	\$7,633.46	Nil	Nil	Nil	Nil	\$7,633.46

(1) The Company has calculated the “grant date fair value” amounts in the ‘Option-based Awards’ column using the Black-Scholes-Merton Option Pricing Model, a mathematical valuation model that ascribes a value to a stock option based on a number of factors in valuing the option-based awards, including the exercise price of the options, the price of the underlying security on the date the option was granted, and assumptions with respect to the volatility of the price of the underlying security and the risk-free rate of return. Calculating the value of stock options using this methodology is very different from simple “in-the-money” value calculation. Stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes valuation. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation. The total compensation shown in the last column is total compensation of each NEO reported in the other columns. The value of the in-the-money options currently held by each director (based on share price less option exercise price) is set forth in the ‘Value of Unexercised in-the-money Options’ column of the “Outstanding Share-Based and Option-Based Awards” table below.

## Employment, Consulting, and Management Agreements

During the fiscal years ended September 30, 2020 and September 30, 2021, or at any time from September 30, 2020 to the date of this Circular, no person was engaged under a management contract to provide management services to the Company.

## Incentive Plan Awards

### **Share-Based Award, Option-Based Awards and Non-Equity Incentive Plan Compensation**

No share-based awards and option-based awards were given to any of the directors or officers of Company during the fiscal years ended September 30, 2020 or September 30, 2021 and up to and up to the date of this Information Circular. A total of 610,000 fully vested options were granted by the Company on December 5, 2018 upon closing of the Company’s IPO. All were granted to directors and officers of the Company.

The Company has no other share-based or non-equity incentive plan and thus no interests have been granted nor have vested in relation to any of the Company officers or directors during the fiscal years ended September 30, 2020 or September 30, 2021, or at any time from September 30, 2020 to the date of this Information Circular.

### **Outstanding Share-based Awards and Option-based Awards**

The following table sets out all share-based awards and option-based awards outstanding as at January 20, 2022 for each NEO:

	Option-based Awards	Share-based Awards

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Eugene A. Hodgson	96,825	0.10	12/05/28	Nil	N/A	N/A	N/A
Rodney W. Reum	96,825	0.10	12/05/28	Nil	N/A	N/A	N/A

**Note:**

(1) "In-the-money" means the excess of the market value of the Shares on January 20, 2022 over the base price of the options.

***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table sets out all incentive plan awards (value vested or earned) during the years ended September 30, 2020 and September 30, 2021 and up to the date of this Information Circular, for each NEO:

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year <sup>(2)</sup> (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Eugene A. Hodgson	Nil	Nil	Nil
Rodney W. Reum	Nil	Nil	Nil

**Note:**

(1) Value vested is calculated as the dollar value that would have been realized had the option been exercised on the date it was vested less the related exercise price multiplied by the number of vesting shares.

(2) This amount is the dollar value realized calculated by multiplying the number of shares or units by the market value of the underlying shares on the vesting date.

**Pension Plan Benefits**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

**Termination of Employment, Change in Responsibilities and Employment Contracts**

There are no employment contracts in place between the Company and any of the NEOs.

**Compensation of Directors**

Compensation for the NEOs has already been disclosed above under "Summary Compensation Table". For the other Directors who are not NEOs, no cash compensation was paid to them for their services as Directors during the two most recent financial years, being those ended September 30, 2020 and September 30, 2021 or up to January 20, 2022. The Board has determined that the directors would not be compensated other than for a one-time stock option grant and are entitled to submit reasonable expenses incurred in respect of performing their obligations.

The following table shows the outstanding cash value compensation received by each director and former director since the Company's inception.

Name	Fees Earned	Share-Based Awards	Option-Based Awards <sup>(1)</sup>	Non-equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
Edward T. L. Cheung	Nil	Nil	\$7,633.46	Nil	Nil	Nil	Nil
Michael B. Harrison	Nil	Nil	\$7,633.46	Nil	Nil	Nil	Nil
Hooi Hing Lee	Nil	Nil	\$7,633.46	Nil	Nil	Nil	Nil
David W. Smalley	Nil	Nil	\$7,633.46	Nil	Nil	FY2021 – \$24,513 <sup>(2)</sup> FY2020 – \$30,400 <sup>(2)</sup> FY2019 – \$47,472 <sup>(2)</sup> FY2018 – \$15,675 <sup>(2)</sup>	Nil

(1) See footnote 1 of “Summary Compensation Table” above.

(2) Paid to David Smalley Law Corporation who provides legal services to the Corporation as a sole practitioner.

As at January 20, 2022, there were no incentive based awards granted to Directors, other than the founders, who were the initial directors.

The following table sets out all share-based awards and option-based awards outstanding as at September 30, 2020, September 30, 2021 and January 20, 2022 for each director of the Company:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Edward T. L. Cheung	96,825	0.10	12/05/28	Nil	Nil	Nil	Nil
Michael B. Harrison	96,825	0.10	12/05/28	Nil	Nil	Nil	Nil
Hooi Hing Lee	96,825	0.10	12/05/28	Nil	Nil	Nil	Nil
David W. Smalley	96,825	0.10	12/05/28	Nil	Nil	Nil	Nil

The following table sets out all incentive plan awards (value vested or earned) during the years ended September 30, 2020 and September 30, 2021 and up to the date of this Information Circular for each director of the Company:

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Edward T. L. Cheung	Nil	Nil	N/A
Michael B. Harrison	Nil	Nil	N/A
Hooi Hing Lee	Nil	Nil	N/A

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
David W. Smalley	Nil	Nil	N/A

### **Securities Authorized For Issuance Under Equity Compensation Plans**

The following table sets out equity compensation plan information as at September 30, 2020, September 30, 2021 and January 20, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plan approved by securityholders	Nil	Nil	Nil
Equity compensation plan not approved by securityholders	610,000	\$0.10	Nil
Total	610,000	\$0.10	Nil

### **Indebtedness of Directors and Executive Officers**

None of the Directors, executive officers or proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company is or has been indebted to the Company as at the date hereof.

### **Interest of Informed Persons In Material Transactions**

To the knowledge of management of the Company, no informed person (a Director, Officer or holder of 10% or more of the Shares) or nominee for election as a Director or any associate or affiliate of any informed person or proposed Director has had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the years ended September 30, 2020 or September 30, 2021, or has any interest in any material transaction up to the date of this Information Circular, other than as set out herein.

### **Management Contracts**

Management functions of the Company are not to any substantial degree performed by a person or company other than the Directors or executive officers.

## **OTHER BUSINESS**

As of the date of this Information Circular, management is not aware of any other matters to come before the Meeting. The securities represented by the Proxy will be voted as directed by the holder, but if such direction is not made in respect of any matter, the Proxy will be voted as recommended by Management.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Company is provided in the Company's comparative financial statements and management's discussion and analysis ("MD&A") for its most recently completed financial year ended September 30, 2021. Shareholders may contact the Company to request copies of the financial statements and the MD&A.

DATED at Vancouver, British Columbia, this 20<sup>th</sup> day of January, 2022.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"Eugene A. Hodgson"*

Eugene A. Hodgson  
President, CEO & Director

**SCHEDULE A – AMENDED ARTICLES OF THE RESULTING ISSUER**

Effective as of the 14<sup>th</sup> day of February 2022

**ARTICLES OF INCORPORATION  
OF  
MIMEDIA HOLDINGS INC.**

(the “Company”)

Incorporation number:           **BC1165064**          

**ARTICLES**

<u>2.</u>	<u><a href="#">Shares and Share Certificates</a></u> .....	32
<u>3.</u>	<u><a href="#">Issue of Shares</a></u> .....	34
<u>4.</u>	<u><a href="#">Share Registers</a></u> .....	35
<u>5.</u>	<u><a href="#">Share Transfers</a></u> .....	35
<u>6.</u>	<u><a href="#">Transmission of Shares</a></u> .....	36
<u>7.</u>	<u><a href="#">Purchase of Shares</a></u> .....	37
<u>8.</u>	<u><a href="#">Borrowing Powers</a></u> .....	37
<u>9.</u>	<u><a href="#">Alterations</a></u> .....	38
<u>10.</u>	<u><a href="#">Meetings of Shareholders</a></u> .....	39
<u>11.</u>	<u><a href="#">Proceedings at Meetings of Shareholders</a></u> .....	43
<u>12.</u>	<u><a href="#">Votes of Shareholders</a></u> .....	46
<u>13.</u>	<u><a href="#">Directors</a></u> .....	49
<u>14.</u>	<u><a href="#">Election and Removal of Directors</a></u> .....	51
<u>15.</u>	<u><a href="#">Alternate Directors</a></u> .....	53
<u>16.</u>	<u><a href="#">Powers and Duties of Directors</a></u> .....	54
<u>17.</u>	<u><a href="#">Disclosure of Interest of Directors</a></u> .....	54
<u>18.</u>	<u><a href="#">Proceedings of Directors</a></u> .....	56
<u>19.</u>	<u><a href="#">Executive and Other Committees</a></u> .....	58
<u>20.</u>	<u><a href="#">Officers</a></u> .....	59
<u>21.</u>	<u><a href="#">Indemnification</a></u> .....	60
<u>22.</u>	<u><a href="#">Dividends</a></u> .....	61
<u>23.</u>	<u><a href="#">Accounting Records</a></u> .....	62
<u>24.</u>	<u><a href="#">Notices</a></u> .....	63
<u>25.</u>	<u><a href="#">General Signing Authority and Seal</a></u> .....	64
<u>26.</u>	<u><a href="#">Prohibitions</a></u> .....	65
<u>27.</u>	<u><a href="#">Special Rights and Restrictions Attaching to Shares</a></u> .....	66

## 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) **“legal personal representative”** means the personal or other legal representative of a shareholder;
- (4) **“public company”** has the meaning ascribed to it in the *Business Corporations Act*;
- (5) **“registered address”** of a shareholder means the shareholder’s address as recorded in the central securities register; and
- (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, as they may be amended from time to time.

### 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 for a share 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.

## **2.10 Direct Registration System**

Share certificates may be held in “book-entry” form under the direct registration system and such shares may be transferred electronically.

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

### **4.2 Closing Register**

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

## **5. SHARE TRANSFERS**

### **5.1 Registering Transfers**

Subject to Article 26, 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; and
- (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.

For the purpose of this Article, delivery or surrender to the agent that maintains the Company's central securities register or a branch securities register, if applicable, will constitute receipt by or surrender to the Company.

### **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, redeem 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**

### **8.1 Power to Borrow and Issue Debt Obligations**

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.

### **8.2 Features of Debt Obligations**

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, or with special privileges as to redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise and may, by their terms, be assignable free from any equities between

the Company and the person to whom they were issued or any subsequent holder thereof, all as the directors may determine.

## **9. ALTERATIONS**

### **9.1 Alteration of Authorized Share Structure**

Subject to Article 9.2, Article 27 and the *Business Corporations Act*, the Company may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors:
  - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
  - (d) if the Company is authorized to issue shares of a class of shares with par value:
    - 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;
  - (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
  - (f) alter the identifying name of any of its shares; or
- (2) 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 or Restrictions**

Subject to Article 27 and the *Business Corporations Act*, the Company may by directors' resolution or by ordinary resolution, in each case as determined by the directors:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or 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; 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 directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize an alteration of its Notice of Articles in order to change its name or adopt or change any translation of that name.

### **9.4 Other Alterations**

The Company, save as otherwise provided by these Articles and subject to the *Business Corporations Act*, may:

- (1) by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and
- (2) if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

## **10. MEETINGS OF SHAREHOLDERS**

### **10.1 Annual General Meetings**

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

### **10.2 Resolution Instead of Annual General Meeting**

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

### **10.3 Calling of Meetings of Shareholders**

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

### **10.4 Place of Meetings of Shareholders**

General meetings of shareholders may be held at a location outside of British Columbia to be determined and approved by a directors' resolution.

### **10.5 Meetings by Telephone or Other Electronic Means**

A meeting of the Company's shareholders may be held entirely or in part by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if approved by directors' resolution prior to the meeting and subject to the *Business Corporations Act*. Any person participating in a meeting by such means is deemed to be present at the meeting.

## **10.6 Notice for Meetings of Shareholders**

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' 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.

## **10.7 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.

## **10.8 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.

## **10.9 Class Meetings and Series Meetings of Shareholders**

Subject to the provisions of the *Business Corporations Act*, unless specified otherwise in these Articles or in the special rights and restrictions attached to any class or series of shares, the provisions of these Articles relating to general meetings will apply, with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

## **10.10 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.

### 10.11 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:
  - (a) will be available for inspection by shareholders at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and
  - (b) may be available by request from the Company or may be accessible electronically or on a website, as determined by the directors.

### 10.12 Advance Notice for Nomination of Directors.

- (1) If and for so long as the Company is a public company, subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors at any annual meeting of shareholders, or at any special meeting of shareholders called for the purpose of electing directors as set forth in the Company's notice of such special meeting, may be made (i) by or at the direction of the board of directors, including pursuant to a notice of meeting, (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with the provisions of the *Business Corporations Act* or, (iii) by any shareholder of the Company (a "**Nominating Shareholder**") who, at the close of business on the date of the giving of the notice provided for below in this Article 10.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting, and who complies with the notice procedures set forth in this Article 10.12.
  - (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the secretary at the principal executive offices of the Company in accordance with this Article 10.12.
  - (b) To be timely, a Nominating Shareholder's notice must be received by the secretary of the Company (i) in the case of an annual meeting, not less than 30 days or more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made (the "**Meeting Notice Date**"), the Nominating Shareholder's notice must be so received not later than the close of business on the 10th day following the Meeting Notice Date; and (ii) in the case of a special meeting of shareholders (which is not also an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which public announcement of the date of the special meeting is first made. In no event shall the public announcement of an adjournment of an annual meeting or special meeting

commence a new time period for the giving of a Nominating Shareholder's notice as described in this Article 10.12.

- (c) To be in proper written form, a Nominating Shareholder's notice must set forth: (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residence address of the person, (B) the principal occupation or employment of the person, (C) the class or series and number of shares of the Company that are owned beneficially or of record by the person and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws; and (ii) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the **Business Corporations Act** and Applicable Securities Laws. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee. The Nominating Shareholder's notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.
- (d) No person shall be eligible for election as a director of the Company unless nominated in accordance with the procedures set forth in this Article 10.12; provided, however, that nothing in this Article 10.12 shall be deemed to preclude a shareholder from discussing (as distinct from nominating directors) at a meeting of shareholders any matter in respect of which the shareholder would have been entitled to submit a proposal pursuant to the provisions of the *Business Corporations Act*. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (e) For purposes of this Article 10.12, (i) "**public announcement**" shall mean disclosure in a press release disseminated by a nationally recognized news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (ii) "**Applicable Securities Laws**" means the applicable securities legislation in each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (f) Notice given to the secretary of the Company pursuant to this Article 10.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address aforesaid) or sent by facsimile transmission (provided the receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic

communication shall be deemed to have been on the subsequent day that is a business day.

- (g) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 10.12.

## **11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

### **11.1 Special Business**

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

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

### **11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds 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 one or more persons present and being, or representing by proxy, two or more shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to attend and vote at the meeting.

### **11.4 One Shareholder May Constitute Quorum**

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

- (1) the quorum is one person who is, or who represents by proxy, that shareholder, and

- (2) that shareholder, present in person or by proxy, may constitute the meeting.

### **11.5 Other Persons May Attend**

The directors, the president (if any), the corporate secretary (if any), the assistant corporate secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or 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 corporate 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, 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:
  - (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
  - (b) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the 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**

Articles 12.7 to 12.15 do 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.

#### **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 of the Company may, by proxy, appoint up to two 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 Proxy Holder Need Not Be Shareholder

A person who is not a shareholder may be appointed as a proxy holder.

## 12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

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

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

## 12.11 Validity of Proxy Vote

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

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

## 12.12 Form of Proxy

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

*[Name of Company]*  
(the "**Company**")

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

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

\_\_\_\_\_

Signed *[month, day, year]*

\_\_\_\_\_  
[Signature of shareholder]

\_\_\_\_\_  
[Name of shareholder – printed]

### **12.13 Revocation of Proxy**

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

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

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

### **14.2 Consent to be a Director**

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

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

### **14.3 Failure to Elect or Appoint Directors**

If:

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

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

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

### **14.4 Places of Retiring Directors Not Filled**

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

#### **14.5 Directors May Fill Casual Vacancies**

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

#### **14.6 Remaining Directors Power to Act**

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of 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. DISCLOSURE OF INTEREST OF DIRECTORS**

### **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 corporate 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 in person or by telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director may participate in a meeting of the directors or of any committee of the directors by a communications medium other than telephone if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all directors who wish to participate in the meeting agree to such participation. A director who participates in a meeting in a manner contemplated by this Article 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 corporate secretary or an assistant corporate 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 directors then in office 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 consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 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 think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

## **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 Directors and Former Directors**

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 Article 27 and to the rights of shareholders holding shares with special rights as to dividends and as more particularly set forth herein.

### **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**

Subject to Article 27, 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 Dividend**

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

### **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**

### **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 corporate secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for 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 the notice to the joint shareholder first named in the central securities register in respect of the share.

#### **24.5 Notice to Trustees**

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

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

#### **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. GENERAL SIGNING AUTHORITY AND SEAL**

#### **25.1 General Signing Authority**

Any:

- (1) one or more directors; or
- (2) one or more officers, as may be determined by the directors; or
- (3) one or more persons, as may be determined by the directors;

are authorized for and on behalf of and in the name of the Company, to execute and deliver all such deeds, documents, instruments, agreements and writings and to perform all such other acts and things as such person or persons, in their sole discretion, may consider necessary or desirable for the purpose of giving effect to the obligations of the Company.

#### **25.2 Who May Attest Seal**

Except as provided in Articles 25.3 and 25.4, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of any one or more directors or officers or persons as may be determined by the directors.

### 25.3 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 25.2, 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.

### 25.4 Mechanical Reproduction of Seal

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

## 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.

## 27. SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO SHARES

### 27.1 Definitions

In this Article 27:

- (1) **“Acknowledgment”** means a non-transferable written acknowledgement of the shareholder’s right to obtain a certificate for shares of any class or series, including a direct registration system advice or the equivalent in any non-certificated inventory system administered by the Company or any transfer agent or depository of the Company.
- (2) **“Applicable Securities Laws”** means the applicable securities legislation of Canada (if any), each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins, blanket orders and rulings and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

### 27.2 Special Rights and Restrictions Attaching to the Subordinate Voting Shares

The subordinate voting shares of the Company (the **“Subordinate Voting Shares”**) shall have the following special rights and restrictions attached thereto:

(1) *Voting Rights.*

Holders of Subordinate Voting Shares shall be entitled to notice of and to attend at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Subordinate Voting Shares shall be entitled to one vote in respect of each Subordinate Voting Share held.

(2) *Alteration to Rights of Subordinate Voting Shares.*

As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Subordinate Voting Shares.

(3) *Dividends.*

Holders of Subordinate Voting Shares shall be entitled to receive, as and when declared by the directors, dividends in cash or other assets of the Company legally available therefor. No dividend will be declared or paid on the Subordinate Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the multiple voting shares of the Company (the **“Multiple Voting Shares”**). In the event of the payment of a dividend in the form of shares, holders of Subordinate Voting Shares shall receive Subordinate Voting Shares, unless otherwise determined by the directors.

(4) *Liquidation, Dissolution or Winding Up.*

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose

of winding up its affairs, the holders of Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Subordinate Voting Shares, be entitled to participate rateably in such distribution of assets of the Company along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.

(5) *Rights to Subscribe; Pre-Emptive Rights.*

The holders of Subordinate Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, or bonds, debentures or other securities of the Company now or in the future.

(6) *Subdivision or Consolidation.*

No subdivision or consolidation of the Subordinate Voting Shares or Multiple Voting Shares shall occur unless, simultaneously, the Subordinate Voting Shares and Multiple Voting Shares are subdivided or consolidated in the same manner or such other adjustment is made so as to maintain and preserve the relative rights of the holders of the shares of each of the said classes. Subject to Article 27.2(7) and 27.2(8), the Subordinate Voting Shares cannot be converted into any other class of shares.

(7) *Conversion of Subordinate Voting Shares upon an Offer.*

In the event that an offer is made to purchase Multiple Voting Shares:

- (i) if there is a published market for the Multiple Voting Shares, and the offer is one which is required to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (x) Applicable Securities Laws, or (y) the rules of any stock exchange on which the Multiple Voting Shares of the Company are listed, unless an identical offer concurrently is made to purchase Subordinate Voting Shares; or
- (ii) if the Multiple Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Multiple Voting Shares in a province or territory of Canada pursuant to (x) Applicable Securities Laws, or (y) the rules of any stock exchange had the Multiple Voting Shares been listed,

then each Subordinate Voting Share shall become convertible at the option of the holder into Multiple Voting Shares at the inverse of the Conversion Ratio (as defined in Article 27.3(6)(ii)) then in effect at any time while the offer is in effect until one day after the time prescribed by Applicable Securities Laws for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Subordinate Voting Shares for the purpose of depositing the resulting Multiple Voting Shares under the offer, and for no other reason. In such event, the Company shall deposit or cause the transfer agent for the Subordinated Voting Shares to deposit under the offer the resulting Multiple Voting Shares, on behalf of the holder.

To exercise such conversion right, the holder or its attorney duly authorized in writing shall:

- (1) give written notice to the transfer agent of the exercise of such right, and of the number of Subordinate Voting Shares in respect of which the right is being exercised;
- (2) deliver to the transfer agent the share certificate(s), if any, or Acknowledgement(s) representing the Subordinate Voting Shares in respect of which the right is being exercised; and
- (3) pay any applicable share certificate or Acknowledgement fee, stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Multiple Voting Shares, resulting from the conversion of the Subordinate Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Multiple Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Multiple Voting Shares being taken up and paid for, the Multiple Voting Shares resulting from the conversion will be re-converted into Subordinate Voting Shares at the Conversion Ratio then in effect and the Company shall send or cause the transfer agent to send to the holder a share certificate or Acknowledgement representing the Subordinate Voting Shares. In the event that the offeror takes up and pays for the Multiple Voting Shares resulting from the conversion of the Subordinate Voting Shares, the Company shall cause the transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

(8) *Conversion of Subordinate Voting Shares in Other Circumstances.*

Each Subordinate Voting Share shall be convertible, in accordance with such terms and conditions as may be agreed upon by the holder thereof and the Company, into Multiple Voting Shares at the inverse of the Conversion Ratio then in effect.

### **27.3 Special Rights and Restrictions Attaching to the Multiple Voting Shares**

The Multiple Voting Shares of the Company shall have the following special rights and restrictions attached thereto:

(1) *Voting Rights.*

Holders of Multiple Voting Shares shall be entitled to notice of and to attend (in person or by proxy) at any meeting of the shareholders of the Company, except a meeting of which only holders of another particular class or series of shares of the Company shall have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could be converted as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to vote at such meeting, which for greater certainty, shall initially equal five (5) votes per Multiple Voting Share.

(2) *Alteration to Rights of Multiple Voting Shares.*

As long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Multiple Voting Shares by separate special resolution, prejudice or interfere with any right or special right attached to the Multiple Voting Shares. Consent of the holders of a majority of the outstanding Multiple Voting Shares by separate ordinary resolution shall be required for any action that authorizes or creates shares of any class having preferences superior to or on a parity with the Multiple Voting Shares. In connection with the exercise of the voting rights contained in this Article 27.3(2), each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held.

(3) *Dividends.*

Holders of Multiple Voting Shares shall have the right to receive dividends, in cash or other assets of the Company legally available therefor, *pari passu* (on an as-converted to Subordinated Voting Share basis, assuming conversion of all Multiple Voting Shares into Subordinate Voting Shares at the Conversion Ratio as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such dividend) as to dividends and any declaration or payment of any dividend on the Subordinate Voting Shares. No dividend will be declared or paid on the Multiple Voting Shares unless the Company simultaneously declares or pays, as applicable, equivalent dividends (on an as-converted to Subordinate Voting Share basis) on the Subordinate Voting Shares. In the event of the payment of a dividend in the form of shares, holders of Multiple Voting Shares shall receive Multiple Voting Shares, unless otherwise determined by the directors.

(4) *Liquidation, Dissolution or Winding Up.*

*In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Multiple Voting Shares will, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Multiple Voting Shares, be entitled to participate ratably in such distribution of assets of the Company along with all other holders of Multiple Voting Shares (on an as-converted to Subordinate Voting Share basis) and Subordinate Voting Shares.*

(5) *Rights to Subscribe; Pre-Emptive Rights.*

The holders of Multiple Voting Shares are not entitled to a right of first refusal to subscribe for, purchase or receive any part of any issue of Subordinate Voting Shares, Multiple Voting Shares, or bonds, debentures or other securities of the Company now or in the future.

(6) *Conversion.*

Subject to the conversion restrictions set forth in this Article 27.3(6), holders of Multiple Voting Shares shall have conversion rights as follows (the “**Conversion Rights**”):

- (i) Right to Convert. Each Multiple Voting Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share, at the office of the Company or any transfer agent for such shares, into such number of fully paid and non-assessable Subordinate Voting Shares as is determined by application of the Conversion Ratio (as determined as hereafter provided) then in effect on the date that such Multiple Voting Share is surrendered for conversion. The “Conversion Ratio” shall be five (5) Subordinate Voting Shares for each Multiple Voting Share; provided, however, that the Conversion Ratio shall be subject to adjustment as set forth in Article 27.3(7) and Article 27.3(8).
- (ii) Conversion Limitations. Before any holder of Multiple Voting Shares shall be entitled to convert the same into Subordinate Voting Shares, the directors (or a committee thereof) shall designate an officer of the Company to determine if any conversion limitation set forth in Article 27.3(6)(ii) or Article 27.3(6)(vi) hereof shall apply to the conversion of Multiple Voting Shares.
- (iii) Foreign Private Issuer Protection Limitation: The Company will use commercially reasonable efforts to maintain its status as a “foreign private issuer” (as determined in accordance with Rule 3b-4 under the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”). In such regard, the holders of Multiple Voting Shares shall not have the right to convert any portion of the Multiple Voting Shares, pursuant to Article 27.3(6)(i) or otherwise, to the extent that after giving effect to all permitted issuances after such conversions of Multiple Voting Shares, the aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the Exchange Act (“**U.S. Residents**”)) would exceed forty percent (40%) (the “**40% Threshold**”) of the aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions (the “**FPI Protective Restriction**”). The directors may by resolution increase the 40% Threshold to an amount not to exceed 50% and in the event of any such increase all references to the 40% Threshold herein, shall refer instead to the amended threshold set by such resolution.
- (iv) Conversion Limitations. In order to effect the FPI Protective Restriction, each holder of Multiple Voting Shares will be subject to the 40% Threshold based on the number of Multiple Voting Shares held by such holder as of the date of the initial issuance of the Multiple Voting Shares and thereafter at the end of each of the Company’s subsequent fiscal quarters (each, a “**Determination Date**”), calculated as follows:

$$X = [(A \times 0.40) - B] \times (C/D)$$

Where on the Determination Date:

X = Maximum number of Subordinate Voting Shares available for issue upon conversion of Multiple Voting Shares by a holder.

A = The aggregate number of Subordinate Voting Shares and Multiple Voting Shares issued and outstanding on the Determination Date.

B = Aggregate number of Subordinate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by U.S. Residents on the Determination Date.

C = Aggregate number of Multiple Voting Shares held by holder on the Determination Date.

D = Aggregate number of all Multiple Voting Shares on the Determination Date.

For purposes of this Article 27.3(6)(iii), the directors (or a committee thereof) shall designate an officer of the Company to determine as of each Determination Date: (A) the 40% Threshold, and (B) the FPI Protective Restriction. To the extent that requests for conversion of Multiple Voting Shares subject to the FPI Protective Restriction would result in the 40% Threshold being exceeded (determined as at the most recent Determination Date), the number of such Multiple Voting Shares eligible for conversion held by a particular holder shall be prorated relative to the number of Multiple Voting Shares submitted for conversion. To the extent that the FPI Protective Restriction contained in this Article 27.3(6)(iii) applies, the determination of whether Multiple Voting Shares are convertible shall be in the sole discretion of the Company.

- (v) Mandatory Conversion. Notwithstanding Article 27.3(6)(ii), the Company may require each holder of Multiple Voting Shares to convert all, and not less than all, the Multiple Voting Shares at the applicable Conversion Ratio (a "Mandatory Conversion") if at any time all the following conditions are satisfied (or otherwise waived by special resolution of holders of Multiple Voting Shares):
- (A) the Subordinate Voting Shares issuable upon conversion of all the Multiple Voting Shares are registered for resale and may be sold by the holder thereof pursuant to an effective registration statement and/or prospectus covering the Subordinate Voting Shares under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**");
  - (B) the Company is subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act; and
  - (C) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or any stock exchange recognized as such by the Ontario Securities Commission.

The Company will issue or cause its transfer agent to issue each holder of Multiple Voting Shares of record a notice of Mandatory Conversion at least 20 days prior to the record date of the Mandatory Conversion, which shall specify therein, (i) the number of Subordinate Voting Shares into which the Multiple Voting Shares are convertible, and (ii) the address of record for such holder. On the record date of a Mandatory Conversion, the Company will issue or cause its transfer agent to issue each holder of record on the Mandatory Conversion Date certificates or Acknowledgements representing the number of Subordinate Voting Shares into which the Multiple Voting Shares are so converted and each certificate or Acknowledgement representing the Multiple Voting Shares shall be null and void.

- (vi) Beneficial Ownership Restriction. The Company shall not effect any conversion of Multiple Voting Shares, and a holder thereof shall not have the right to convert any portion of its Multiple Voting Shares, pursuant to Article 27.3(6)(i) or otherwise, to the extent that after giving effect to such issuance after conversion as set forth on the applicable Conversion Notice, the holder (together with the holder's Affiliates (as defined in Rule 12b-2 under the Exchange Act), and any other persons acting as a group together with the holder or any of the holder's Affiliates), would beneficially own in excess of 9.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares issuable upon conversion of the Multiple Voting Shares subject to the Conversion Notice (the "**Beneficial Ownership Limitation**").

For purposes of the foregoing sentence, the number of Subordinate Voting Shares beneficially owned by the holder and its Affiliates shall include the number of Subordinate Voting Shares issuable upon conversion of Multiple Voting Shares with respect to which such determination is being made, but shall exclude the number of Subordinate Voting Shares which would be issuable upon (i) conversion of the remaining, non-converted portion of Multiple Voting Shares beneficially owned by the holder or any of its Affiliates, and (ii) exercise or conversion of the unexercised or non-converted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the holder or any of its Affiliates. In any case, the number of outstanding Subordinate Voting Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including Multiple Voting Shares subject to the Conversion Notice, by the holder or its Affiliates since the date as of which such number of outstanding Subordinate Voting Shares was reported. Except as set forth in the preceding sentence, for purposes of this Article 27.3(6)(vi), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act and the rules and regulations promulgated thereunder based on information provided by the shareholder to the Company in the Conversion Notice.

To the extent that the Beneficial Ownership Limitation applies and the Company can convert some, but not all, of such Multiple Voting Shares submitted for conversion, the Company shall convert Multiple Voting Shares up to the Beneficial Ownership Limitation in effect, based on the number of Multiple Voting Shares submitted for conversion on such date. The determination of whether Multiple Voting Shares are convertible (in relation to other securities owned by the holder together with any Affiliates) and of which Multiple Voting Shares are convertible shall be in the sole discretion of the Company, and the submission of a Conversion Notice shall be deemed to be the holder's certification as to the holder's beneficial ownership of Subordinate Voting Shares of the Company, and the Company shall have the right, but not the obligation, to verify or confirm the accuracy of such beneficial ownership.

The holder, upon written notice to the Company, may increase or decrease the Beneficial Ownership Limitation provisions of this Article 27.3(6)(vi), provided that the Beneficial Ownership Limitation in no event exceeds 19.99% of the number of the Subordinate Voting Shares outstanding immediately after giving effect to the issuance of Subordinate Voting Shares upon conversion of Multiple Voting Shares subject to the Conversion Notice and the provisions of this Article 27.3(6)(vi) shall continue to apply. Any increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company. The provisions of this paragraph shall not be construed and implemented in a manner otherwise than in strict conformity with the terms of this Article 27.3(6)(vi) or to correct this paragraph (or any portion hereof) which may be defective or inconsistent with the intended Beneficial Ownership Limitation herein contained or to make changes or supplements necessary or desirable to properly give effect to such limitation. The limitations contained in this paragraph shall apply to a successor holder of Multiple Voting Shares.

- (vii) Disputes. In the event of a dispute as to the number of Subordinate Voting Shares issuable to a Holder in connection with a conversion of Multiple Voting Shares, the Company shall issue to the Holder the number of Subordinate Voting Shares not in dispute and resolve such dispute in

accordance with Article 27.3(12).

- (viii) Mechanics of Conversion. Before any holder of Multiple Voting Shares shall be entitled to convert Multiple Voting Shares into Subordinate Voting Shares, the holder thereof shall surrender the certificate(s), if any, or Acknowledgement(s) therefor, duly endorsed, at the office of the Company or of any transfer agent for Subordinate Voting Shares, and shall give written notice to the Company at its principal corporate office, of the election to convert the same (each, a "Conversion Notice") and the Subordinate Voting Shares resulting therefrom shall be registered in the name of the registered holder of the Multiple Voting Shares converted or, subject to payment by the registered holder of any share transfer, certificate or Acknowledgement fee or applicable taxes and compliance with any other reasonable requirements of the Company (including, for certainty and without limitation, the 40% Threshold, the FPI Protective Restriction and the Beneficial Ownership Limitation) in respect of such transfer, in such name or names as such registered holder may direct in writing. Upon receipt of such notice and certificate(s) or Acknowledgement(s) and, as applicable, compliance with such other requirements, the Company shall (or shall cause its transfer agent to), at its expense, as soon as practicable thereafter, remove or cause the removal of such holder from the register of holders in respect of the Multiple Voting Shares for which the conversion right is being exercised, add the holder (or any person or persons in whose name or names such converting holder shall have directed the resulting Subordinate Voting Shares to be registered) to the securities register of holders in respect of the resulting Subordinate Voting Shares, cancel or cause the cancellation of the certificate(s) or Acknowledgement(s) representing such Multiple Voting Shares and issue and deliver at such office to such holder, or to the nominee or nominees of such holder, a certificate or certificates or Acknowledgement, representing the Subordinate Voting Shares issued upon the conversion of such Multiple Voting Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Multiple Voting Shares to be converted, and the person or persons entitled to receive the Subordinate Voting Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Subordinate Voting Shares as of such date. If less than all of the Multiple Voting Shares represented by any certificate or Acknowledgement are to be converted, the holder shall be entitled to receive a new certificate or Acknowledgement representing the Multiple Voting Shares represented by the original certificate or Acknowledgement which are not to be converted. A Multiple Voting Share that is converted into Subordinate Voting Shares as provided for in this Article 27.3(6)(viii) will automatically be cancelled.

(7) *Adjustments for Distributions.*

In the event the Company shall declare a distribution to holders of Subordinate Voting Shares payable in securities of other persons, evidences of indebtedness issued by the Company or other persons, assets (excluding cash dividends) or options or rights not otherwise causing adjustment to the Conversion Ratio (a "**Distribution**"), then, in each such case for the purpose of this Article 27.3(7), the holders of Multiple Voting Shares shall be entitled to a proportionate share of any such Distribution as though they were the holders of the number of Subordinate Voting Shares into which their Multiple Voting Shares are convertible as of the record date fixed for the determination of the holders of Subordinate Voting Shares entitled to receive such Distribution.

(8) *Recapitalizations; Stock Splits.*

If at any time or from time-to-time, the Company shall: (i) effect a recapitalization of the Subordinate Voting Shares; (ii) issue Subordinate Voting Shares as a dividend or other distribution on outstanding Subordinate Voting Shares; (iii) subdivide the outstanding Subordinate Voting Shares into a greater number of Subordinate Voting Shares; (iv) consolidate the outstanding Subordinate Voting Shares into a smaller number of Subordinate Voting Shares; or (v) effect any similar transaction or action (each, a "**Recapitalization**"), provision shall be made so that the holders of Multiple Voting Shares shall thereafter be entitled to receive, upon conversion of Multiple Voting Shares, the number of Subordinate Voting Shares or other securities or property of the Company or otherwise, to which a holder of Subordinate Voting Shares

deliverable upon conversion would have been entitled on such Recapitalization. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article 27.3(8) with respect to the rights of the holders of Multiple Voting Shares after the Recapitalization to the end that the provisions of this Article 27.3(8) (including adjustment of the Conversion Ratio then in effect and the number of Subordinate Voting Shares issuable upon conversion of Multiple Voting Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(9) *No Fractional Shares and Certificate as to Adjustments.*

No fractional Subordinate Voting Shares shall be issued upon the conversion of any Multiple Voting Shares and the number of Subordinate Voting Shares to be issued shall be rounded down to the nearest whole Subordinate Voting Share without any payment in respect of such rounded down fractional Subordinate Voting Share. Whether or not fractional Subordinate Voting Shares are issuable upon such conversion shall be determined on the basis of the total number of Multiple Voting Shares the holder is at the time converting into Subordinate Voting Shares and the number of Subordinate Voting Shares issuable upon such aggregate conversion.

(10) *Adjustment Notice.*

Upon the occurrence of each adjustment or readjustment of the Conversion Ratio pursuant to Article 27.3(8) or otherwise, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Multiple Voting Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Multiple Voting Shares, furnish or cause to be furnished to such holder a like certificate setting forth (i) such adjustment and readjustment, (ii) the Conversion Ratio for Multiple Voting Shares at the time in effect, and (iii) the number of Subordinate Voting Shares and the amount, if any, of other property which at the time would be received upon the conversion of a Multiple Voting Share.

(11) *Effect of Conversion.*

All Multiple Voting Shares which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the time of conversion, except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor.

(12) *Disputes.*

Any holder of Multiple Voting Shares that beneficially owns more than 5% of the issued and outstanding Multiple Voting Shares may submit a written dispute notice as to the determination of the Conversion Ratio or the arithmetic calculation of the Conversion Ratio (as defined herein), the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation by the Company to the directors, which dispute notice shall include the basis for the disputed determinations or arithmetic calculations. The Company shall respond to the holder within five (5) business days of receipt, or deemed receipt, of the dispute notice with a written calculation of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable. If the holder and the Company are unable to agree upon such determination or calculation of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, within five (5) business days of such response, then the Company and the holder shall, within two (2) business days thereafter, submit the disputed arithmetic calculation of the Conversion Ratio, the 40% Threshold, FPI Protective Restriction or the Beneficial Ownership Limitation, as applicable, to the Company's independent, outside accountant. The Company, at the Company's expense, shall cause the accountant to perform the determinations or calculations and notify the Company and the holder of the results no later than five (5) business days from the time it receives the disputed determinations or calculations. Such accountant's determination or calculation, as the case may be, shall be binding upon all parties absent demonstrable error.

(13) *Waiver.*

Notwithstanding the provisions of this Article 27.3(6), the board of directors of the Company may, in its discretion and on terms and conditions as it may determine, waive the application of any of the conversion limitations in this Article 27.3(6) to any exercise or exercises of the Conversion Rights, including during or with respect to any period of time or periods of time and in respect of any one or more holders of the Multiple Voting Shares (who the board of directors of the Company shall be entitled to treat in a different manner). The directors (or a committee thereof) shall be entitled to designate one or more officers of the Company to make such determinations.

(14) *Conversion of Multiple Voting Shares upon an Offer.*

In addition to the conversion rights set out in Article 27.3(6), in the event that an offer is made to purchase Subordinate Voting Shares:

- (i) if there is a published market for the Subordinate Voting Shares, and the offer is one which is required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada to which the requirement applies pursuant to (x) Applicable Securities Laws or (y) the rules of any stock exchange on which the Subordinate Voting Shares of the Company are listed, unless an identical offer concurrently is made to purchase Multiple Voting Shares; or
- (ii) if the Subordinate Voting Shares are not then listed, and the offer is one which would have been required to be made to all or substantially all the holders of Subordinate Voting Shares in a province or territory of Canada pursuant to (x) Applicable Securities Laws or (y) the rules of any stock exchange had the Subordinate Voting Shares been listed,

then each Multiple Voting Share shall become convertible at the option of the holder into Subordinate Voting Shares at the Conversion Ratio then in effect, at any time while the offer is in effect until one day after the time prescribed by Applicable Securities Laws for the offeror to take up and pay for such shares as are to be acquired pursuant to the offer. The conversion right may only be exercised in respect of Multiple Voting Shares for the purpose of depositing the resulting Subordinate Voting Shares under the offer, and for no other reason. In such event, the Company shall or shall cause its transfer agent for the Subordinate Voting Shares to deposit under the offer the resulting Subordinate Voting Shares, on behalf of the holder.

To exercise such conversion right, the holder or its attorney duly authorized in writing shall:

- (1) give written notice to the transfer agent of the exercise of such right, and of the number of Multiple Voting Shares in respect of which the right is being exercised;
- (2) deliver to the transfer agent the share certificate(s) or Acknowledgements, if any representing the Multiple Voting Shares in respect of which the right is being exercised; and
- (3) pay any applicable share certificate or Acknowledgement fee, stamp tax or similar duty on or in respect of such conversion.

No share certificates representing the Subordinate Voting Shares, resulting from the conversion of the Multiple Voting Shares will be delivered to the holders on whose behalf such deposit is being made. If Subordinate Voting Shares, resulting from the conversion and deposited pursuant to the offer, are withdrawn by the holder or are not taken up by the offeror, or the offer is abandoned, withdrawn or terminated by the offeror or the offer otherwise expires without such Subordinate Voting Shares being taken up and paid for, the Subordinate Voting Shares resulting from the conversion will be re-converted into Multiple Voting Shares at the inverse of Conversion Ratio then in effect and the Company shall send, or

cause its transfer agent to send, to the holder a share certificate or Acknowledgement representing the Multiple Voting Shares. In the event that the offeror takes up and pays for the Subordinate Voting Shares resulting from the conversion of the Multiple Voting Shares, the Company shall or shall cause its transfer agent to deliver to the holders thereof the consideration paid for such shares by the offeror.

(15) *Notice of Record Date.*

Except as otherwise provided under applicable law, in the event of any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend (other than a cash dividend) or other distribution, any right to subscribe for, purchase or otherwise acquire any shares of any class or any other securities or property, or to receive any other right, the Company shall provide written notice to each holder of Multiple Voting Shares, at least 20 days prior to the date specified therein, a notice specifying the date on which any such record is to be taken for the purpose of such dividend, distribution or right, and the amount and character of such dividend, distribution or right.

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## SCHEDULE B – RESULTING ISSUER OPTION PLAN

### MIMEDIA HOLDINGS INC.

#### STOCK OPTION PLAN

##### 1. Purpose of the Plan

The purpose of the Plan is to provide the Participants with an opportunity to purchase Subordinate Voting Shares and benefit from the appreciation thereof. This proprietary interest in the Corporation will provide an increased incentive for the Participants to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Subordinate Voting Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

##### 2. Defined Terms

a) Where used herein, the following terms shall have the following meanings (all other capitalized terms used and not defined herein shall have the meanings ascribed to them in the TSX Venture Exchange Corporate Finance Manual):

- (i) **“Acceleration Right”** means the Participant’s right, in certain circumstances, to exercise its outstanding Option as to all or any of the Subordinate Voting Shares in respect of which such Option has not previously been exercised and which the Participant is entitled to exercise, including in respect of Subordinate Voting Shares not otherwise vested at such time;
- (ii) **“Board”** means the board of directors of the Corporation;
- (iii) **“Business Day”** means each day other than a Saturday, Sunday or statutory holiday in British Columbia, Canada;
- (iv) **“Corporation”** means MiMedia Holdings Inc., and includes any successor corporation thereof;
- (v) **“Date of Termination of Investor Relations Activities”** has the meaning in Section 4(d)(vii);
- (vi) **“Exchange”** means the TSX Venture Exchange or, if the Subordinate Voting Shares are not then listed and posted for trading on the TSX Venture 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;
- (vii) **“Exercise Notice”** means the notice in writing signed by the Participant or the Participant’s legal personal representatives addressed to the Corporation specifying an intention to exercise all or a portion of the Option;
- (viii) **“Expiry Time”** means the time at which the Options will expire, being 4:00 p.m. (Toronto 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;
- (ix) **“Foreign Private Issuer”** means a “foreign private issuer” as defined in Rule 405 under the U.S. Securities Act;
- (x) **“Insider”** has the meaning ascribed thereto in the Exchange Corporate Finance Manual;

- (xi) **“Multiple Voting Shares”** means the multiple voting shares in the capital of the Corporation;
- (xii) **“Option”** means an option to purchase Subordinate Voting Shares from treasury granted by the Corporation to a Participant, subject to the provisions contained herein;
- (xiii) **“Option Price”** means the price per share at which Subordinate Voting Shares may be purchased under the Option, as the same may be adjusted herein;
- (xiv) **“Participants”** means the directors, officers and employees of, and consultants to, the Corporation or its Subsidiaries, as defined by the relevant Exchange and, subject to compliance with the applicable requirements of the Exchange, the Personal Holding Companies of such persons, to whom an Option has been granted by the Board pursuant to the Plan and which Option or a portion thereof remains unexercised;
- (xv) **“Personal Holding Company”** means a company of which 100% of the voting shares are beneficially owned, directly or indirectly, by a director, officer or employee of, or consultant to, the Corporation or its Subsidiaries and such entity shall be bound by the Plan in the same manner as if the Options were held directly;
- (xvi) **“Plan”** means this stock option plan of the Corporation, as the same may be amended or varied from time to time;
- (xvii) **“Subordinate Voting Shares”** means the subordinate voting shares in the capital of the Corporation 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;
- (xviii) **“Subsidiary”** means any corporation that is a subsidiary of the Corporation, as such term is defined under the *Business Corporations Act* (British Columbia), as such provision is from time to time amended, varied or re-enacted, or a “related entity” as defined in section 2.22 of National Instrument 45-106;
- (xix) **“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;
- (xx) **“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
- (xxi) **“U.S. Person”** means a “U.S. person” as defined in Rule 902(k) of Regulation S under the U.S. Securities Act;
- (xxii) **“U.S. Securities Act”** means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder; and
- (xxiii) **“VWAP”** means, for the purposes of Sections 4(e) and 9(d) hereof, at any date in respect of the Subordinate Voting Shares, the volume weighted average trading price of the Subordinate Voting Shares on the Exchange calculated by dividing the total value by the total volume of such securities traded for the five trading days immediately preceding the

exercise of the subject Stock Option.

### 3. Administration of the Plan

- a) 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: (a) the Participants to whom and the time or times at which the Options will be granted; the number of Subordinate Voting Shares which shall be the subject of each Option; (b) any vesting provisions attaching to the Option; and (c) the terms and provisions of the respective stock option agreements, provided however, that each director, officer, employee or consultant shall have the right not to participate in the Plan and any decision not to participate therein shall not affect the employment by or engagement with the Corporation. The Board shall ensure that Participants under the Plan are eligible to participate under the Plan, and, if required by the Exchange, shall represent and confirm that the Participant is a bona fide employee, consultant or management company employee (as defined in the policies of the Exchange).
- b) The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board (the “**Committee**”). The Committee shall be comprised of two or more members of the Board who shall serve at the pleasure of the Board. Vacancies occurring on the Committee shall be filled by the Board.
- c) The Committee (or the Board where the Committee has not been constituted) shall have the power to delegate to any member of the Board or officer so designated (the “**Administrator**”), the power to determine which Participants are to be granted Options and to grant such Options, the number of Subordinate Voting Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and the Administrator shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Committee or Board.

### 4. Granting of Option

- a) 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 Corporation 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 the provisions of this Plan.
- b) The aggregate number of Subordinate Voting Shares of the Corporation allocated and made available to be granted to Participants under the Plan shall not exceed 10% of the issued and outstanding Subordinate Voting Shares of the Corporation as at the date of grant (on a non-diluted basis, but on an as-converted basis as it relates to the Multiple Voting Shares). Any issuance of Subordinate Voting Shares from treasury pursuant to the exercise of Options shall automatically replenish the number of Subordinate Voting Shares available for Option grants under the Plan. Subordinate Voting 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.
- c) The Corporation shall at all times, during the term of the Plan, reserve and keep available such number of Subordinate Voting Shares as will be sufficient to satisfy the requirements of the Plan.
- d) Any grant of Options under the Plan shall be subject to the following restrictions:
- (i) the aggregate number of Subordinate Voting Shares reserved for issuance pursuant to Options granted to any one Participant, other than a consultant, in any 12 month period may not exceed 5% of the Corporation’s total issued and outstanding Subordinate Voting

Shares (on an as-converted basis as it relates to the Multiple Voting Shares), unless disinterested shareholder approval is obtained;

- (ii) the aggregate number of Subordinate Voting Shares issuable pursuant to Options granted to Insiders pursuant to the Plan and other security based compensation arrangements may not exceed 10% of the Corporation's total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares), unless disinterested shareholder approval is obtained;
- (iii) the aggregate number of Subordinate Voting Shares issued to Insiders pursuant to the Plan and other security based compensation arrangements in any 12 month period may not exceed 10% of the Corporation's total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares), unless disinterested shareholder approval is obtained;
- (iv) no more than 2% of the total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares) at the time of grant may be granted to any one consultant in any 12 month period;
- (v) no more than an aggregate of 2% of the total issued and outstanding Subordinate Voting Shares (on an as-converted basis as it relates to the Multiple Voting Shares) at the time of grant may be granted to all persons engaged to conduct Investor Relations Activities in any 12 month period;
- (vi) Options granted to all persons engaged to conduct Investor Relations Activities must vest in stages over 12 months with no more than 25% of such Options vesting in any three month period; and
- (vii) if a person employed to perform Investor Relations Activities ceases to be a Participant for any reason other than death (such as by reason of disability, resignation dismissal or termination of contract), then the Expiry Time of its Options vested on the date such person ceases to be a Participant (the "**Date of Termination of Investor Relations Activities**"), shall be there earlier of: (i) the original expiry date; or (ii) 30 days from the Date of Termination of Investor Relations Activities.

e) Provided that the Corporation is listed on the Exchange and is in compliance with applicable Exchange requirements, the Board may grant Options which allow a Participant, excluding an Investor Relations Service Provider, to elect to exercise its Options on a "cashless basis", whereby the Participant, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Subordinate Voting Shares, disregarding fractions, equal to the number which results when: (i) the difference between the aggregate VWAP of the Subordinate Voting Shares underlying the Options and the aggregate exercise price of such Options is divided by (ii) the VWAP of the underlying Subordinate Voting Shares. Notwithstanding the actual number of Subordinate Voting Shares issued and registered in the name of the Participant, the Participant shall be considered to have surrendered his, her or its right to purchase that number of Subordinate Voting Shares in respect of which the Participant elected to surrender his, her or its Option.

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

g) 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.

h) No Options shall be granted in the United States or to, or for the account or benefit of, a U.S. Person and no Subordinate Voting Shares shall be issued in the United States or to, or for the account or

benefit of a, U.S. Person upon exercise of any such Options unless such securities are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available. Any Options issued in the United States or to, or for the account or benefit of, U.S. Persons and any Shares issued upon exercise thereof, will be "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act).

i) Any certificate or instrument representing Options granted in the United States or to, or for the account or benefit of, U.S. Persons or Subordinate Voting Shares issued in the United States or to, or for the account or benefit of, U.S. Persons upon exercise of any such Options pursuant to an exemption from registration under the U.S. Securities Act and applicable state securities laws shall bear a legend restricting transfer under applicable United States federal and state securities laws substantially in the following form:

THE SECURITIES REPRESENTED HEREBY [For Options Include: AND THE SECURITIES ISSUABLE ON EXERCISE HEREOF] HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING THESE SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF MIMEDIA HOLDINGS INC. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

For Options include:

THE OPTIONS REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE OPTIONS REPRESENTED HEREBY MAY NOT BE EXERCISED IN THE UNITED STATES OR BY, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON OR A PERSON IN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES LAWS AND APPLICABLE STATE SECURITIES LAWS. AS USED HEREIN, THE TERMS "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS ASCRIBED TO THEM IN REGULATION S UNDER THE U.S. SECURITIES ACT.

## **5. Option Price**

a) Subject to applicable Exchange approval, the Option Price shall be fixed by the Board at the time the Option is granted to a Participant. In no event shall the price be less than the Discounted Market Price (as defined in the policies of the Exchange). If a press release fixing the price is not issued, the Discounted Market Price is the closing price per Subordinate Voting Share on the Exchange on the last trading day preceding the date of grant on which there was a closing price (less the applicable discount) or, if the Subordinate Voting Shares are not listed on any stock exchange, a price determined by the Board; provided that, if the Board, in its sole discretion, determines that the closing price on the last trading day preceding the date of grant would not be representative of the market price of the Subordinate Voting Shares, then

the Board may base the price on the greater of the closing price and the weighted average price per share for the Subordinate Voting Shares for five (5) consecutive trading days ending on the last trading day preceding the date of grant on which there was a closing price on the Exchange. The weighted average price shall be determined by dividing the aggregate sale price of all Subordinate Voting Shares sold on the Exchange during the said five (5) consecutive trading days, by the total number of Subordinate Voting Shares so sold.

b) Once the Option Price and Expiry Time have been determined by the Board, accepted by the Exchange and the Option has been granted, if the Participant is an Insider, the Option Price may only be reduced, and the Expiry Time may only be extended, if disinterested shareholder approval is obtained; provided that such disinterested shareholder approval is then a requirement of the Exchange or other regulatory body having jurisdiction.

## 6. Term of Option

a) The term of the Option shall be a period of time fixed by the Board, not to exceed ten years from the date of grant. 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 law.

b) 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 Section 11 hereof.

c) 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 an Option or a portion thereof.

d) In addition to any resale restriction under securities laws, an Option may be subject to a four month Exchange hold period commencing on the date the Option is granted.

e) Except in the case of a Participant's Option that terminates pursuant to Section 11(c) below, in the event that the term of any Option expires within or immediately following a "blackout period" imposed by the Corporation, the Option shall expire on the date (the "**Blackout Expiration Date**") that is ten Business Days following the end of such blackout period. The Blackout Expiration Date shall not be subject to the discretion of the Board.

## 7. Exercise of Option

a) 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 of the Exercise Notice to the Corporation's principal office in Vancouver, British Columbia. 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 Subordinate Voting Shares in respect of which the Option is then being exercised, and shall be accompanied by the full purchase price of the Subordinate Voting Shares which are the subject of the exercise. Such Exercise Notice shall contain the Participant's undertaking to comply, to the satisfaction of the Corporation, with all applicable requirements of the Exchange and any applicable regulatory authorities.

b) No Subordinate Voting Shares shall be issued to a Participant in the United States or to, or for the account or benefit of a, U.S. Person upon exercise of Options unless (i) such Subordinate Voting Shares are registered under the U.S. Securities Act and any applicable state securities laws or an exemption from such registration is available, and (ii) if the Corporation is a Foreign Private Issuer at the time of the proposed exercise, the exercise of such Options and issuance of Subordinate Voting Shares would not cause the Corporation to lose its status as a Foreign Private Issuer.

## 8. Adjustments in Shares

a) If the outstanding shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation through a re-organization, plan of arrangement, 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 with respect to: (a) previously granted and unexercised Options or portions thereof; and (b) Options which may be granted subsequent to any such change in the Corporation's capital; provided that any adjustment to Options granted or issued under the Plan resulting from an adjustment to the number of outstanding shares, other than an adjustment in connection with a subdivision or consolidation, shall be subject to the prior acceptance of the Exchange.

b) Subject to the prior acceptance of the Exchange (if required), determinations by the Board as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. The Corporation shall not be obligated to issue fractional securities in satisfaction of any of its obligations hereunder.

## 9. Accelerated Vesting

a) In the event that certain events such as a liquidation or dissolution of the Corporation or a re-organization, plan of arrangement, merger or consolidation of the Corporation with one or more corporations, as a result of which the Corporation is not the surviving corporation, or the sale by the Corporation of all or substantially all of the property and assets of the Corporation to another corporation prior to the Expiry Time, are proposed or contemplated, the Board may, notwithstanding the terms of this Plan or any stock option agreements issued hereunder, exercise its discretion, by way of resolution, to permit accelerated vesting of Options on such terms as the Board sees fit at that time. If the Board, in its sole discretion, determines that the Subordinate Voting 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 Corporation, 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. Notwithstanding the foregoing, any Option granted to an Investor Relations Service Provider hereunder shall not vest on an accelerated basis as is provided in this Section 9 without the prior written acceptance of the Exchange.

b) An Option may provide that whenever the Corporation's shareholders receive a Take-Over Bid and the Corporation supports this bid, pursuant to which the "offeror" would, as a result of such Take-Over Bid being successful, beneficially own in excess of 50% of the outstanding Subordinate Voting Shares, the Participant may exercise the Acceleration Right. The Acceleration Right shall commence on the date of the mailing of the Board circular recommending acceptance of the Take-Over Bid and end on the earlier of:

- (i) the Expiry Time; and
- (ii) (i) in the event the Take-Over Bid is unsuccessful, the expiry date of the Take-Over Bid; and (ii) in the event the Take-Over Bid is successful, the tenth (10th) day following the expiry date of the Take-Over Bid.

c) At the time of the termination of the Acceleration Right, the original vesting terms of the Options shall be reinstated with respect to the Subordinate Voting Shares issuable thereunder which were not acquired by the holders of such Options pursuant to the terms thereof. Notwithstanding the foregoing, the Acceleration Right may be extended for such longer period as the Board may resolve.

d) Provided that the Corporation is listed on the Exchange and is in compliance with applicable Exchange requirements, the Corporation may satisfy any obligations to a Participant hereunder, excluding an Investor Relations Service Provider, by paying to the Participant in cash the difference between the

exercise price of all unexercised Options granted hereunder and the VWAP of the Subordinate Voting Shares to which the Participant would be entitled upon exercise of all unexercised Options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied.

## **10. Decisions of the Board**

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

## **11. Ceasing to be a Director, Officer, Employee or Consultant**

a) Subject to the terms of the applicable stock option agreements and subject to Section 11(d) hereof, in the event of the Participant ceasing to be a director, officer, employee or consultant of the Corporation or a Subsidiary for any reason other than death, including the resignation or retirement of the Participant or the termination by the Corporation or a Subsidiary of the employment of the Participant, prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such Subordinate Voting 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: (a) the Expiry Time; and (b) a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the effective date of such resignation or retirement or a date that is ninety (90) days (or such other period as may be determined by the Board, provided that such period is not more than one year) following the date notice of termination of employment is given by the Corporation or a Subsidiary, whether such termination is with or without reasonable notice, and subject to such shorter period as may be otherwise specified in the stock option agreement, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

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

c) Notwithstanding the foregoing, in the event of termination for cause, such Option (including an Option held by a Participant's Personal Holding Company) shall expire and terminate immediately at the time of delivery of notice of termination of employment for cause to the Participant by the Corporation or a Subsidiary and shall be of no further force or effect whatsoever as to the Subordinate Voting Shares in respect of which an Option has not previously been exercised.

d) In the event of the death of a Participant on or prior to the Expiry Time, such Option (including an Option held by a Participant's Personal Holding Company) may be exercised as to such of the Subordinate Voting Shares in respect of which such Option has not previously been exercised (and as the Participant would have been entitled to purchase), by the legal personal representatives of the Participant at any time up to and including (but not after) a date one (1) year from the date of death of the Participant, after which date the Option shall forthwith expire and terminate and be of no further force or effect whatsoever.

e) Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

## **12. Transferability**

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.

### **13. Amendment or Discontinuance of Plan**

a) The approval of the Board and the requisite approval from the Exchange and the shareholders shall be required for any of the following amendments to be made to the Plan:

- (i) any increase to the fixed maximum percentage of Subordinate Voting Shares issuable under the Plan;
- (ii) a reduction in the exercise price or purchase price of an Option (other than for standard anti-dilution purposes) held by or benefiting an Insider;
- (iii) an increase in the maximum number of Subordinate Voting Shares that may be issued to Insiders within any one year period or that are issuable to Insiders at any time;
- (iv) an extension of the term of an Option held by or benefiting an Insider;
- (v) any change to the definition of "Participants" which would have the potential of broadening or increasing Insider participation;
- (vi) any change to the method for determining the exercise price of Options;
- (vii) the maximum term of Options;
- (viii) any other amendments that may lead to significant or unreasonable dilution in the Corporation's outstanding securities or may provide additional benefits to Participants, especially Insiders, at the expense of the Corporation and its existing shareholders.

b) The Board may, without shareholder approval but subject to receipt of requisite approval as required by the Exchange, in its sole discretion make all other amendments to the Plan that are not of the type contemplated in subsection 13(a) above including, without limitation:

- (i) amendments of a housekeeping nature;
- (ii) a change to the vesting provisions of an Option or the Plan; and
- (iii) a change to the termination provisions of an Option or the Plan which does not entail an extension beyond the original expiry date, except as contemplated in Section 6(e) above.

### **14. Participants' Rights**

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

b) Nothing in the Plan or any Option shall confer upon any Participant any rights to continue in the employ of the Corporation or any Subsidiary or affect in any way the right of the Corporation or any such Subsidiary to terminate the employment of the Participant at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation 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 Corporation 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 Corporation or any Subsidiary.

**15. Approvals**

- a) The 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 Corporation.
- b) 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**

- a) The Corporation's obligation to issue and deliver Subordinate Voting Shares under any Option is subject to:
  - (i) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
  - (ii) the admission of such Subordinate Voting Shares to listing on any stock exchange on which such Subordinate Voting Shares may then be listed; and
  - (iii) the receipt from the Participant of such representations, warranties, agreements and undertakings as to future dealings in such Subordinate Voting Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

b) In this regard, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Subordinate Voting Shares and for the listing of such Subordinate Voting 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 Corporation to issue such shares shall terminate and the Option Price paid to the Corporation will be returned to the Participant.

**17. Costs**

The Corporation shall pay all costs of administering the Plan.

**18. Interpretation**

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

**19. Compliance with Applicable Law**

If any provision of the Plan or any Option contravenes any law or any order, policy, bylaw 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.

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**END OF INFORMATION CIRCULAR**