AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 21st day of December, 2011.

BETWEEN:

SOPHIA CAPITAL CORP., a corporation incorporated under the laws of British Columbia and to be continued under the laws of Canada (hereinafter called "**Sophia**")

OF THE FIRST PART

- and -

AXSUN INC., a corporation amalgamated under the laws of Canada (hereinafter called "**Axsun**")

OF THE SECOND PART

WHEREAS each of the parties hereto is a corporation to which the CBCA (as defined below) applies;

AND WHEREAS Sophia and Axsun wish to merge and continue as one corporation in accordance with the terms and conditions hereof;

AND WHEREAS Sophia and Axsun are a party to a letter agreement dated September 21, 2011;

AND WHEREAS Sophia and Axsun wish to effect the merger of their businesses through the amalgamation of Sophia with Axsun;

AND WHEREAS the parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the proposed amalgamation;

NOW THEREFORE THIS AGREEMENT WITNESSETH in consideration of the above premises and of the covenants, agreements, representations and warranties hereinafter contained, the parties hereto agree as follows:

ARTICLE 1
INTERPRETATION

1.1 **Definitions**. In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms shall have the meanings hereinafter set forth:

(a) "**Agent**" means Avenue Capital Markets Inc.

(b) "**Agent's Finder's Fee**" means the up to 290,000 Axsun Units to be issued to the Agent for its advisory services in connection with the Axsun Unit Private Placement.

(a) "**Agent Finder's Fee Warrants**" means the up to 145,000 Amalco Warrants to be issued to the Agent in connection with the Agent's Finder's Fee.

(b) "**Agreement**", "this Agreement", "herein", "hereby", "hereof", "hereunder" and similar expressions mean or refer to this agreement, together with the schedules hereto and any amendments hereto.

(c) "**Amalco**" means Axsun Inc., the corporation resulting from the Amalgamation.

(d) "**Amalco Axsun Unit Agent's Options**" means the up to 675,000 agent's options of Amalco to be issued pursuant to the Amalgamation in replacement for the up to 675,000 Axsun Unit Agent's Options to be issued in connection with the Axsun Unit Private Placement, each entitling the holder to acquire one Amalco Unit at a price of $1.00 per Amalco Unit for a period of twenty four (24) months from the closing date of the Axsun Unit Private Placement, in accordance with its terms.

(e) "**Amalco Axsun Warrants**" means the share purchase warrants of Amalco to be issued pursuant to the Amalgamation in replacement for the outstanding Axsun Warrants, entitling the holder to acquire one Amalco Share at a price of $1.25 per share until a date that is five years from the date of issuance of the particular Axsun Warrant, in accordance with its terms.

(f) "**Amalco New Options**" means the stock options of Amalco that may be granted at Closing as determined by the Board of Directors of Amalco in accordance with the policies of the TSX Venture, each entitling the holder to acquire one Amalco Share at a price of $1.00 per share until up to ten years from the date of grant, in accordance with its terms.

(g) "**Amalco Registrar and Transfer Agent**" means Computershare Investor Services Inc., and any other person which may be appointed as registrar and transfer agent of Amalco from time to time.

(h) "**Amalco Shares**" means the common shares in the capital of Amalco.

(i) "**Amalco Sophia Agent's Options**" means the up to 50,000 agent's options of Amalco to be issued pursuant to the Amalgamation in replacement for the 100,000 outstanding Sophia Agent's Options, as adjusted for any exercise after the date hereof, if any, each entitling the holder to acquire one Amalco Share at a price of $0.40 per share until July 12, 2013, in accordance with its terms.

(j) "**Amalco Sophia Options**" means the up to 75,000 stock options of Amalco to be issued pursuant to the Amalgamation in replacement for the 150,000 outstanding Sophia Options, as adjusted for any exercise after the date hereof, if any, each entitling the holder to acquire one Amalco Share at a price of $0.40 per share until April 18, 2016, in accordance with its terms.

(k) "**Amalco Sophia Warrants**" means the share purchase warrants of Amalco to be issued to holders of Sophia Shares, each entitling the holder to acquire one Amalco Share at a price of $1.25 per share until a date that is five years from the date of issuance.

(l) "**Amalco Stock Option Plan**" means the existing stock option plan of Sophia.

(m) "**Amalco Unit**" means the units of Amalco, each unit being comprised of one Amalco Share and one-half of one Amalco Axsun Warrant.

(n) "**Amalgamation**" means the amalgamation of Sophia and Axsun under Section 181 of the CBCA on the terms and conditions set forth in this Agreement.

(o) "**Articles of Amalgamation**" means the Articles of Amalgamation giving effect to the Amalgamation, substantially in the form attached hereto as Schedule A to be filed pursuant to this Agreement.

(p) "**associate**", "**affiliate**", "**insider**" and "**promoter**" have the respective meanings ascribed thereto in the *Securities Act* (Alberta).

(q) "**Axsun**" means Axsun Inc., a corporation incorporated under the CBCA with its registered office located in Saint-Hubert, Quebec.

(r) "**Axsun August 2011 Amalgamation**" means the amalgamation of Axsun Logistics Inc., Axsun Transport & Distribution Inc. and Axsun Global Inc. pursuant to the CBCA on August 1, 2011, to form Axsun. In accordance with the terms of the August 2011 Amalgamation, the following conversion of shares occurred: (i) 100 Class "A" shares issued and outstanding in the capital of Axsun Logistics Inc. were converted on the basis of 1:7,684.40, into an aggregate of 768,640 Axsun Shares; (ii) 100 Class "A" shares issued and outstanding in the capital of Axsun Transport & Distribution Inc. were converted on the basis of 1:1,853.35, into an aggregate of 185,335 Axsun Shares; and (iii) 90 Class "A" shares issued and outstanding in the capital of Axsun Global Inc. were converted on the basis of 1:460.25, into an aggregate of 46,025 Axsun Shares.

(s) "**Axsun Preferred Shares**" means the issued and outstanding class E preferred shares of Axsun.

(t) "**Axsun Properties**" means the following real property owned by Axsun: (i) a 100% fee simple interest in an industrial property located at 4900 Armand Frappier Street, Saint-Hubert, Quebec; and (ii) a 100% fee simple interest in a commercial office condominium unit located at 1525 Cornwall Road, Unit 9, Oakville, Ontario.

(u) "**Axsun Reorganization**" means the proposed reorganization of the share capital of Axsun such that Axsun will have up to 26,000,000 Axsun Shares and 3,000,000 Axsun Preferred Shares outstanding, with the final number of Axsun Shares and Axsun Preferred Shares to be determined following negotiations with the proposed investors in the Axsun Unit Private Placement.

(v) "**Axsun Shares**" means the issued and outstanding class A common shares in the capital of Axsun.

(w) "**Axsun Special Resolution**" means the special resolution of the shareholders of Axsun approving the Amalgamation.

(x) "**Axsun Unanimous Shareholders Agreement**" means the unanimous shareholders agreement of Axsun dated August 1, 2011 among Axsun and all of the current shareholders of Axsun.

(y) "**Axsun Units**" means the units offered pursuant to the Axsun Unit Private Placement, each unit being comprised of one Axsun Share and one-half of one Axsun Warrant.

(z) "**Axsun Unit Agent's Options**" means the up to 675,000 agent's options of Axsun, as adjusted for any exercise after the date hereof, if any, each entitling the holder thereof to purchase one Axsun Unit at a price of $1.00 per unit for a period of twenty four (24) months from the closing date of the Axsun Unit Private Placement, in accordance with its terms.

(aa) "**Axsun Unit Private Placement**" means the private placement by Axsun of Axsun Units at a price of $1.00 per Axsun Unit for gross proceeds of a minimum of $4,500,000 and a maximum of $7,500,000 to be completed on or before the Closing Date.

(bb) "**Axsun Warrants**" means the share purchase warrants of Axsun, each entitling the holder to acquire one Axsun Share a price of $1.25 per share for five years from their date of issuance, in accordance with its terms.

(cc) "**BCBCA**" means the *Business Corporations Act* (British Columbia), as from time to time amended or re-enacted and includes any regulations heretofore or hereafter made pursuant to the BCBCA.

(dd) "**Business Day**" means any day other than a Saturday or Sunday or a day when banks in the City of Calgary is not generally open for business.

(ee) "**CBCA**" or "**Act**" means the *Canada Business Corporations Act*, as from time to time amended or re-enacted and includes any regulations heretofore or hereafter made pursuant to the CBCA.

(ff) "**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Director pursuant to Subsection 185(4) of the CBCA giving effect to the Articles of Amalgamation.

(gg) "**Certificate of Continuance**" means the certificate of continuance for Sophia issued by the Director pursuant to Subsection 187(4) of the CBCA.

(hh) "**Closing**" means the closing of the Amalgamation.

(ii) "**Closing Date**" means the date of the Closing, which shall be within seven (7) Business Days of the receipt of the approval by holders of Sophia Shares of the Amalgamation, or such other date as Sophia and Axsun may mutually agree, acting reasonably, and in any event not later than February 28, 2012.

(jj) "**Continuance**" means the proposed continuance of Sophia out of the jurisdiction of British Columbia under the BCBCA and into the jurisdiction of Canada under the CBCA.

(kk) "**Director**" the means the Director appointed under Section 260 of the CBCA.

(ll) "**Effective Date**" means the date shown in the Certificate of Amalgamation and giving effect to the Amalgamation.

(mm) "**Employment Agreement**" means the employment and non-competition agreement to be entered into concurrent with or prior to the Closing between Axsun and Steve Ramescu, such agreement to be in a form and with terms satisfactory to the parties thereto, Sophia and the Agent.

(nn) "**Escrow Transfer**" means the transfer within escrow to be completed on the Closing Date of an aggregate of 500,000 Sophia Shares held by the existing directors and officers of Sophia to Axsun (or such Person or Persons as Axsun may direct or assign) at a price of $0.40 per Sophia Share pursuant to share purchase agreements to be entered into between such directors and officers of Sophia and Axsun (or such Person or Persons as Axsun may direct or assign).

(oo) "**Executive Director**" means the Executive Director of the Alberta Securities Commission.

(pp) "**Finder's Fee Shares**" means the 75,000 Amalco Shares issuable to Devi Singh in connection with the Closing, as payment of a finder's fee to Devi Singh.

(qq) "**Hazardous Substances**" means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor.

(rr) "**Information Circular**" means the notice of annual and special meeting and information circular of Sophia to be used by Sophia in connection with the solicitation of proxies for the Meeting.

(ss) "**Meeting**" means the annual and special meeting of the shareholders of Sophia to approve the Continuance, the Amalgamation under the CBCA, the adoption of new by-laws and certain other matters.

(tt) "**Person**" means a natural person, firm, corporation, trust, partnership, joint venture, governmental body or agency or association.

(uu) "**Policy**" means Policy 2.4 of the TSX Venture Corporate Finance Manual of the TSX Venture.

(vv) "**Qualifying Transaction**" has the meaning ascribed thereto under the Policy.

(ww) "**Registrar and Transfer Agent**" means Olympia Trust Company, and any other person which may be appointed as registrar and transfer agent of Sophia from time to time.

(xx) "**Related Parties**" means promoters, officers, directors and other insiders of a company, and associates or affiliates thereof.

(yy) "**Sophia**" means Sophia Capital Corp., a public company incorporated under the BCBCA with its registered office located in Vancouver, British Columbia.

(zz) "**Sophia Agent's Options**" means the 100,000 outstanding agent's options of Sophia, as adjusted for any exercise after the date hereof if any, each entitling the holder to purchase one Sophia Share at a price of $0.20 per share until July 12, 2013, in accordance with its terms.

(aaa) "**Sophia Letter of Transmittal**" means the form of letter of transmittal to be used by holders of Sophia Shares for the purpose of surrendering certificates representing the Sophia Shares and exchanging them for certificates representing the Amalco Shares and Amalco Sophia Warrants.

(bbb) "**Sophia Options**" means the 150,000 outstanding stock options of Sophia, as adjusted for any exercise after the date hereof, if any, each entitling the holder to purchase one Common Share at a price of $0.20 per share until April 18, 2016, in accordance with its terms.

(ccc) "**Sophia Shares**" or "**Common Shares**" means the common shares in the capital of Sophia.

(ddd) "**Termination Date**" shall have the meaning attributed to such term in Section 7.2.

(eee) "**TSX Venture**" means the TSX Venture Exchange Inc.

(fff) "**TSX Venture Escrow Agreement**" means the escrow agreement to be entered into among Amalco Registrar and Transfer Agent, Amalco and certain shareholders of Axsun in compliance with the requirements of the TSX Venture and the Policy, with the securities subject to such agreement to be released as determined by the TSX Venture.

(ggg) "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

1.2 **Interpretation Not Affected by Headings, etc.** The division of this Agreement into articles, sections and subsections is for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", and "hereunder" and similar expressions refer to this Agreement and not to any particular article, section or other portion hereof and include any Agreement or instrument supplementary or ancillary hereto.

1.3 **Number, etc.** Words importing the singular number shall include the plural and *vice versa*, words importing the use of any gender shall include all genders and words importing persons shall include firms and corporations and vice versa.

1.4 **Date for Any Action**. In the event that any date on which any action is required to be taken hereunder by any of the parties is not a Business Day in the place where an action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.

1.5 **Rounding**. In performing the various mathematical calculations required to be performed hereunder, all numbers shall be rounded to the nearest five decimal places.

1.6 **Currency**. All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

1.7 **Knowledge**. Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Axsun or Sophia, as applicable, it shall be deemed to refer to the actual knowledge after having made reasonable inquiry of the officers and directors of the particular company.

1.8 **Meanings.** Words and phrases defined in the CBCA shall have the same meaning herein as in the CBCA, unless otherwise defined herein or the context otherwise requires. Unless otherwise specifically indicated or the context otherwise requires "include", "includes" and "including" shall be deemed to be followed by the words "without limitation".

1.9 **Schedules**. The following schedule is annexed to this Agreement and is hereby incorporated by reference into this Agreement and form part hereof:

Schedule A – Articles of Amalgamation

ARTICLE 2
AMALGAMATION

2.1 **Continuance**. On or before the Closing Date and subject to the terms and conditions of this Agreement, Sophia shall take all necessary steps to give effect to the Continuance and, without limitation, use all reasonable efforts to apply for and to obtain the approval of its shareholders and all other consents, orders or approvals as counsel may advise are necessary or desirable for the implementation of the Continuance and the filing of Articles of Continuance pursuant to the CBCA in connection therewith.

2.2 **Amalgamation**. On or before the Closing Date, subject to the terms and conditions of this Agreement, Sophia and Axsun shall take all steps required to complete the Amalgamation and, without limitation, use commercially reasonable efforts to apply for and to obtain the approval of their respective directors and shareholders and all other consents, orders or approvals as counsel may advise are necessary or desirable for the implementation of the Amalgamation and the filing of the Articles of Amalgamation with the Director pursuant to Section 185 the Act.

2.3 **Registered Office**. The registered office of Amalco shall be located at 4900 Armand Frappier, Saint-Hubert, Quebec, J3Z 1G5.

2.4 **Authorized Capital**. Amalco shall be authorized to issue an unlimited number of Amalco Shares and an unlimited number of preferred shares, issuable in series, which shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation.

2.5 **Restriction on Share Transfer.** The transfer of shares of Amalco shall not be subject to any restrictions.

2.6 **Number of Directors**. The minimum number of directors of Amalco shall be three (3) and the maximum number of directors of Amalco shall be fifteen (15), the number to be determined by the board of directors from time to time.

2.7 **First Directors**. The number of first directors of Amalco shall be five (5). The first directors of Amalco shall be:

Name	**Address**
Steve Ramescu	3955 Longford Brossard, QC J4Y 3J6
Thomas D. Craig	310 Hogans Valley Way Cary, NC 27513
Robert Raich	699 Aberdeen Avenue Montreal, QC H3Y 3A9
Andre Brosseau	1394 Ave. Dr. Penfield Montreal, QC H3G 1B7
Francis Longpre	310, Lafrance O. St-Basile-le-Grand, Quebec J3N 1C8

The first directors shall hold office until the first annual or general meeting of the shareholders of Amalco, or until their successors are appointed or elected. The subsequent directors shall be elected each year thereafter as provided for in the CBCA, in the Articles of Amalgamation and in the by-laws of Amalco. The board of directors will be authorized to appoint one or more additional directors, who shall hold office for a term not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed will not exceed one-third of the number of directors elected at the previous annual meeting of shareholders.

2.8 **First Auditors**. The first auditors of Amalco shall be Horwath Leebosh Appel SENCRL/LLP, Chartered Accountants, 1 Westmount Square, Suite 900, Montreal, Quebec, H3Z 2P9. The first auditors of Amalco shall hold office until the first annual meeting of shareholders of Amalco following the Amalgamation, or until their successor is appointed.

2.9 **Fiscal Year**. The fiscal year end of Amalco shall be July 31, subject to receipt of all necessary regulatory approval.

2.10 **Restrictions on Business**. There shall be no restrictions on the business that Amalco may carry on.

2.11 **Articles of Amalgamation and By-laws.** The Articles of Amalgamation shall be in the form set forth as Schedule A, including schedules thereto. The by-laws of Amalco shall be the new by-laws of Sophia after the Continuance to be in the form attached as Schedule B hereto.

2.12 **Effect of Certificate of Amalgamation**. On the Effective Date:

(a) the Amalgamation of Sophia and Axsun and their continuance as one corporation shall become effective;

(b) the property of each of Sophia and Axsun shall continue to be the property of Amalco;

(c) Amalco shall continue to be liable for the obligations of each of Sophia and Axsun;

(d) any existing cause of action, claim or liability to prosecution of either Sophia or Axsun shall be unaffected;

(e) any civil, criminal or administrative action or proceeding pending by or against either Sophia or Axsun may be continued to be prosecuted by or against Amalco;

(f) a conviction against, or ruling, order or judgment in favour of or against, either Sophia or Axsun may be enforced by or against Amalco; and

(g) the Articles of Amalgamation shall be deemed to be the Articles of Incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation for Amalco.

2.13 **Manner of Conversion of Issued Securities**. On the Effective Date:

(a) each Axsun Share outstanding immediately prior to the Amalgamation shall be exchanged for one fully-paid and non-assessable Amalco Share;

(b) each Axsun Preferred Share outstanding immediately prior to the Amalgamation shall be exchanged for one fully-paid and non-assessable Amalco Share;

(c) each Axsun Warrant outstanding immediately prior to the Amalgamation shall be replaced with/continued into one (1) Amalco Axsun Warrant;

(d) each Axsun Unit Agent's Option outstanding immediately prior to the Amalgamation shall be replaced with/continued into one (1) Amalco Axsun Unit Agent's Option;

(e) each Sophia Share outstanding immediately prior to the Amalgamation shall be exchanged for one-half of one fully-paid and non-assessable Amalco Share and 0.1628 of one Amalco Sophia Warrant;

(f) each Sophia Option outstanding immediately prior to the Amalgamation shall be replaced with/continued into one-half (1/2) of one Amalco Sophia Option;

(g) each Sophia Agent's Option outstanding immediately prior to the Amalgamation shall be replaced with/continued into one-half (1/2) of one Amalco Sophia Agent's Option; and

(h) the aggregate stated capital of Amalco shall be an amount equal to the aggregate paid up capital for purposes of the *Income Tax Act* (Canada) of Axsun and Sophia immediately prior to such time, and such stated capital shall be allocated on an equal basis to each share of Amalco issued on the Amalgamation, or as otherwise determined by the directors of Amalco.

2.14 **Restrictions on Securities.** The parties acknowledge and agree that the resale or disposition of the Amalco Shares to be issued to the shareholders of Axsun pursuant to Section 2.13 will be subject to compliance with applicable securities laws. In addition, certain of the Amalco Shares to be issued to the shareholders of Axsun, as required by the TSX Venture, will be subject to the TSX Venture Escrow Agreement.

2.15 **Certificates**. On the Effective Date:

(a) the registered holders of Axsun Shares and Axsun Preferred Shares shall cease to be holders of such shares and shall be deemed to be registered holders of Amalco Shares, to which they are entitled in accordance with Section 2.13, and on or after the Effective Date the holders of certificates representing Axsun Shares and Axsun Preferred Shares may surrender such certificates to Amalco and, upon such surrender, subject to the provisions of the TSX Venture Escrow Agreement, Amalco shall provide instructions to the Amalco Registrar and Transfer Agent to deliver such certificates representing the number of Amalco Shares to which they are so entitled;

(b) the registered holders of Sophia Shares shall cease to be holders of Sophia Shares, and shall be deemed to be registered holders of Amalco Shares and Amalco Warrants to which they are entitled in accordance with Section 2.13, and the holders of certificates representing Sophia Shares may surrender such certificates to the Amalco Registrar and Transfer Agent, together with a completed Sophia Letter of Transmittal and, upon such surrender shall be entitled to receive certificates representing the number of Amalco Shares and Amalco Warrants to which they are entitled in accordance with Section 2.13, as soon as practicable, but in any event no later than five (5) Business Days following the later of the Effective Date and the date of deposit of the Sophia Letter of Transmittal;

(c) the registered holders of the Sophia Options and Sophia Agent's Options shall cease to be holders of such securities and shall be deemed to be the registered holders of the Amalco Sophia Options and Amalco Sophia Agent's Options to which they are entitled in accordance with Section 2.13, and shall receive executed agreements and/or certificates evidencing such securities of Amalco; and

(d) the registered holders of the Axsun Agent's Options and Axsun Warrants shall cease to be holders of such securities and shall be deemed to be the registered holders of the securities of Amalco to which they are entitled in accordance with Section 2.13, and shall receive executed agreements and/or certificates, as applicable, evidencing such securities of Amalco.

2.16 **Lost Certificates.** In the event any certificate which immediately prior to the Effective Date represented one or more outstanding Sophia Shares, Sophia Options, Sophia Agent's Options, Axsun Shares, Axsun Preferred Shares, Axsun Unit Agent's Options, Axsun Warrants or other securities of Axsun that were exchanged pursuant to Section 2.13, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder thereof, as applicable, claiming such certificate to be lost, stolen or destroyed, the Amalco Registrar and Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more securities of Amalco to which they are entitled and, in each case deliverable pursuant to Section 2.13. When authorizing such payment in exchange for any lost, stolen, destroyed certificate, the holder to whom certificates representing such securities are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to Amalco and its transfer agent in such sum as Amalco may direct or otherwise indemnify Amalco in a manner satisfactory to Amalco against any claim that may be made against Amalco with respect to the certificate alleged to have been lost, stolen or destroyed.

2.17 **Stock Option Plan.** The Amalco Stock Option Plan shall be the stock option plan of Sophia in existence immediately before the Amalgamation, which is the new stock option plan of Sophia that will be approved at the Meeting.

2.18 **Fractional Securities.** No fractional securities will be issued by Amalco and no cash will be paid in lieu thereof. Any fraction resulting will be rounded to the nearest whole number with fractions of one half or greater being rounded to the next higher whole number and fractions of less than one half being rounded to the next lower whole number.

ARTICLE 3
COVENANTS

3.1 **Covenants of Axsun.** Axsun covenants and agrees with Sophia that it will not, from the date of execution hereof to and including the Effective Date, except in order to give effect to this Agreement, in connection with the Axsun Reorganization, the Axsun Unit Private Placement, or with the prior written consent of Sophia, such consent not to be unreasonably withheld:

(a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;

(b) split, combine or reclassify any outstanding shares;

(c) enter into any material contract, other than in the ordinary course of business consistent with past practice;

(d) redeem, purchase or offer to purchase any of its shares or other securities;

(e) reorganize, amalgamate or merge with any other Person or other business organization whatsoever;

(f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or other business organization or division or any assets or properties of a material nature;

(g) incur or commit to incur any indebtedness for borrowed money or issue any debt securities, other than in the ordinary course of business consistent with past practice;

(h) issue or commit to issue any shares of its capital stock, or rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options, other than in the ordinary course of business consistent with past practice, copies of which are provided to Sophia, or in connection with the issuance of securities issuable pursuant to the terms of securities outstanding on the date hereof;

(i) alter or amend in any way its constating documents as the same exist at the date of this Agreement;

(j) take any action which would be outside the ordinary course of business or which may result in a material adverse change in its affairs including, without limiting the generality of the foregoing, the entering into of any employment, consultancy or severance agreements or other arrangements with any of its directors or officers other than the Employment Agreement;

(k) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any material component of its assets, other than in the ordinary course of business consistent with past practice;

(l) engage in any business enterprise or other activity materially different from that carried on or intended to be carried on as at the date hereof;

(m) except for the Employment Agreement, enter into any transaction with or make payments to a party or parties with which it does not deal at arm's length;

(n) grant any director, officer or employee who has a policy-making function any increase in compensation or in severance or termination pay (whether or not such compensation or pay is payable in cash), or enter into any employment or consulting agreement with any such director, officer or employee, or hire or promote any such person (other than the Employment Agreement); or

(o) perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated under this Agreement.

3.2 **Further Covenants of Axsun**. Axsun covenants and agrees with Sophia that it will:

(a) use commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;

(b) prior to the Closing Date use its commercially reasonable efforts to obtain a fully executed Axsun Special Resolution;

(c) except for proxies and other non-substantive communications with securityholders, furnish promptly to Sophia a copy of each notice, report, schedule or other document delivered, filed or received by it in connection with: (i) the Axsun Reorganization; (ii) the Amalgamation; (iii) any filings under applicable laws; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated herein;

(d) make other necessary filings and applications under applicable federal and provincial laws and regulations required on its part in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;

(e) use commercially reasonable efforts to conduct its affairs so that all of its representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;

(f) within two Business Days of receiving any written audit inquiry, assessment, reassessment, confirmation or variation of an assessment, indication that an assessment is being considered, request for filing of a waiver or extension of time or any other notice in writing relating to taxes, interest, penalties, losses or tax pools (an "**Assessment**"), deliver to Sophia a copy thereof together with a statement setting out, to the extent then determinable, an estimate of the obligations, if any, of it on the assumption that such Assessment is valid and binding;

(g) use commercially reasonable efforts to complete the minimum Axsun Unit Private Placement;

(h) use commercially reasonable efforts to cause each of the conditions precedent set forth in Sections 5.1 and 5.3 to be complied with;

(i) subject to the satisfaction of the conditions in Sections 5.1 and 5.2, thereafter together with Sophia file with the Director the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation on or before the Termination Date; and

(j) notify Sophia immediately upon becoming aware that any of the representations and warranties of Axsun contained herein are no longer true and correct in any material respect.

3.3 **Covenants of Sophia**. Sophia covenants and agrees with Axsun that it will not from the date of execution hereof to and including the Effective Date, except as contemplated by this Agreement or with the prior written consent of Axsun, such consent not to be unreasonably withheld:

(a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;

(b) split, combine or reclassify any outstanding shares;

(c) enter into any material contract;

(d) redeem, purchase or offer to purchase any of its shares or other securities;

(e) reorganize, amalgamate or merge with any other Person or other business organization whatsoever;

(f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any Person or other business organization or division, or any assets or properties;

(g) incur or commit to incur any indebtedness for borrowed money, or issue any debt securities;

(h) issue or commit to issue any shares of its capital stock, or rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options, other than in connection with the exercise of the Sophia Options or the Sophia Agent's Options;

(i) except as contemplated by this Agreement, alter or amend in any way its constating documents or by-laws as the same exist at the date of this Agreement;

(j) take any action which may result in a material adverse change in the affairs of Sophia including, without limiting the generality of the foregoing, the entering into of employment, consultancy or severance agreements or other arrangements with any director or officer of Sophia;

(k) engage in any business enterprise or other activity, other than as contemplated herein and as required as a capital pool company;

(l) enter into any transaction with or make payments to a party or parties with whom Sophia does not deal at arm's length, other than in the ordinary course of business consistent with past practice;

(m) grant any director, officer or employee any increase in compensation or in severance or termination pay (whether or not such compensation or pay is payable in cash), or enter into any employment or consulting agreement with any such director, officer or employee, or hire or promote any such person;

(n) perform any act or enter into any transaction or negotiation which might interfere or be inconsistent with the consummation of the transactions contemplated under this Agreement; or

(o) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets.

3.4 **Further Covenants of Sophia**. Sophia covenants and agrees with Axsun that it will:

(a) use commercially reasonable efforts to obtain all necessary consents, assignments or waivers from third parties and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations under and to carry out the transactions contemplated by this Agreement;

(b) mail to its shareholders the Information Circular and other documentation required in connection with the Meeting in accordance with applicable laws as soon as reasonably practicable;

(c) prior to the Termination Date, convene and hold the Meeting for the purpose of approving the matters to be considered at the Meeting;

(d) except for proxies and other non-substantive communications with securityholders, furnish promptly to Axsun a copy of each notice, report, schedule or other document delivered, filed or received by Sophia in connection with: (i) the Continuance; (ii) the Amalgamation; (iii) any filings under applicable laws; and (iv) any dealings with regulatory agencies in connection with the transactions contemplated herein;

(e) make other necessary filings and applications under applicable federal and provincial laws and regulations required on the part of Sophia in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such laws and regulations;

(f) use commercially reasonable efforts to conduct its affairs so that Sophia's representations and warranties contained herein shall be true and correct on and as of the Effective Date as if made on the Effective Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;

(g) use commercially reasonable efforts to cause each of the conditions precedent set forth in Sections 5.1 and 5.2 to be complied with;

(h) subject to the satisfaction of the conditions precedent in Sections 5.1 and 5.3, thereafter together with Axsun file with the Director the Articles of Amalgamation and such other documents as may be required to give effect to the Continuance and the Amalgamation on or before the Termination Date; and

(i) notify Axsun immediately upon becoming aware that any of the representations and warranties of Sophia contained herein are no longer true and correct in any material respect.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES

4.1 **Representations and Warranties of Sophia**. Sophia represents and warrants to and in favour of Axsun as follows, and acknowledges that Axsun is relying upon such representations and warranties:

(a) Sophia is a corporation incorporated under the laws of British Columbia and is a valid and subsisting corporation under the BCBCA and is in compliance, in all materials respects, with the requirements of the BCBCA. Sophia has no subsidiaries;

(b) Sophia is a "reporting issuer" as that term is defined in the applicable securities legislation in the Provinces of Alberta, British Columbia, Saskatchewan and Ontario, is not in default of the requirements of such legislation or the regulations and rules thereto or the policies and requirements of the TSX Venture, and the issued and outstanding Sophia Shares are currently listed and posted for trading on the TSX Venture;

(c) no cease trade order has been issued against Sophia or the Sophia Shares in any jurisdiction, and, to the knowledge of Sophia, no cease trade order is pending or threatened;

(d) Sophia has the requisite power, capacity and authority to enter into this Agreement on the terms and conditions herein set forth;

(e) the authorized capital of Sophia consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which only 1,575,000 common shares and nil preferred shares are issued and outstanding, and all of such shares are validly issued and outstanding as fully paid and non-assessable shares of Sophia;

(f) except for the Sophia Options, the Sophia Agent's Options or pursuant to this Agreement, no Person has any agreement, option or right to acquire or capable of becoming an agreement for the purchase or acquisition of any of the unissued shares or other securities of Sophia;

(g) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, pending or, to the knowledge of Sophia, threatened against or relating to Sophia or affecting its properties or business which if determined adversely to Sophia might materially and adversely affect the properties, business, future prospects or the financial condition of Sophia, or the right of Sophia to use, produce or sell its property or assets in whole or in part. There is not presently outstanding against Sophia any judgment, injunction, rule or order of any court, governmental department, commission, agency or arbitrator;

(h) Sophia is a taxable Canadian corporation as defined in the *Income Tax Act* (Canada) and is not liable, in any material respect, for any Canadian federal, provincial, municipal or local taxes, sales tax assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of its income, capital, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved against. All such taxes, assessments, imposts, remittances and penalties have been properly calculated by Sophia, in all material respects. Sophia is not in default in filing any returns or reports covering any Canadian federal, provincial, municipal or local taxes, assessments or other imposts in respect of its income, business or property and Sophia has complied with all withholding, collection, remittance and other obligations under any applicable taxing statute;

(i) Sophia has not conducted any business, other than in accordance with the Policy, has never had any employees, and is not in breach of any laws, rules or regulations where a breach would have a material adverse affect on the affairs, assets or financial condition of Sophia;

(j) Sophia has not experienced nor, to the knowledge of Sophia, is it aware of any occurrence or event which has had, or might reasonably be expected to have, a materially adverse effect on its affairs or financial condition;

(k) the entering into and performance of this Agreement and the transactions contemplated herein by Sophia will not violate:

(i) the constating documents or by-laws of Sophia;

(ii) any agreement to which Sophia is a party and will not give any person or company any right to terminate or cancel any agreement or any right enjoyed by Sophia because of such agreement, and will not result in the creation or imposition of any lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Sophia or the assets of Sophia; or

(iii) any statute, regulation, by-law, order, judgment, or decree by which Sophia is bound, except for such violations which would not have a material adverse effect on the financial condition, assets or affairs of Sophia;

(l) other than the $75,000 fee payable to Devi Singh at Closing by the issuance of the 75,000 Finder's Fee Shares, Sophia has not incurred any obligation or liability, contingent or otherwise, for broker's fees, commissions or finder's fees or other similar fees in respect of the transactions contemplated herein;

(m) since July 21, 2010, there has not been any material adverse change in the condition or operations of Sophia or in its assets, liabilities or financial condition;

(n) the audited financial statements of Sophia for the period from the date of incorporation on July 21, 2010 to February 15, 2011, as well as the unaudited interim financial statements of Sophia as at July 31, 2011, as well as the notes thereto, are true and correct and present fairly, in all material respects, the financial position of Sophia as at such dates and the results of its operations and changes in financial position for the periods indicated in the said statements, and have been prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of prior periods;

(o) Sophia has no material liabilities, contingent or otherwise, except those set out in the financial statements referred to in subsection 4.1(n), and Sophia has not guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person, other than pursuant to an agency agreement entered into in connection with the initial public offering of Sophia;

(p) other than as disclosed in the financial statements of Sophia which will be contained in the Information Circular and referred to in subsection 4.1(n), Sophia is not indebted to:

(i) any director, officer or shareholder of Sophia;

(ii) any individual related to any of the foregoing by blood, marriage or adoption; or

(iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsections 4.1(p)(i) and (ii);

(q) none of those Persons referred to in subsection 4.1(p) is indebted to Sophia;

(r) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Sophia of any of its assets;

(s) the information concerning Sophia to be set forth in the Information Circular will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in the light of the circumstances in which it will be made, and such information in the Information Circular will constitute full, true and plain disclosure of all material facts relating to the particular matters concerning Sophia to be acted upon by the securityholders of Sophia at the Meeting;

(t) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, duly approved by the board of directors of Sophia and this Agreement constitutes a valid and binding obligation of Sophia enforceable against it in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction;

(u) no notices, reports or other filings are required to be made by Sophia with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by Sophia from, any governmental or regulatory authority, other than the TSX Venture, and the usual filings under applicable Canadian securities laws, in connection with the execution and delivery of this Agreement by Sophia and the consummation of the transactions contemplated herein by Sophia, the failure to make or obtain any or all of which is reasonably likely to have a material adverse effect on the financial condition of Sophia or could prevent, materially delay or materially burden the transactions contemplated by this Agreement;

(v) Sophia has filed all forms, reports, documents and information required to be filed by it, whether pursuant to applicable securities legislation or otherwise, with the applicable securities commissions (the "**Disclosure Documents**"). As of the time the Disclosure Documents were filed with the applicable securities regulators and on SEDAR (System for Electronic Document Analysis and Retrieval): (i) each of the Disclosure Documents complied in all material respects with the requirements of the applicable securities laws; and (ii) none of the Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(w) there is no "material fact" or "material change" (as those terms are defined in applicable securities legislation) in the affairs of Sophia that has not been generally disclosed to the public;

(x) the Information Circular will contain a list of all material contracts, agreements and commitments (whether written or oral) to which Sophia is a party, and all of such material contracts, agreements and commitments are in full force and effect and Sophia is not in default, in any material respect, under any of such contracts, agreements or commitments;

(y) there does not exist any state of facts which after notice or lapse of time, or both, will constitute a default or breach on the part of Sophia under any of the provisions contained in any of the material contracts, commitments or agreements referred to in subsection 4.1(w);

(z) there are no contracts, agreements or engagements, either oral or written, providing for a fixed period of employment of any director, officer or senior employee of Sophia;

(aa) the corporate records and minute books of Sophia contain complete and accurate minutes of all meetings of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;

(bb) the cash assets of Sophia as at September 30, 2011, net of liabilities incurred, were approximately $190,000; and (cc) to the best of the knowledge of Sophia, none of the directors, officers or principal shareholders of Sophia is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere.

4.2 **Representations and Warranties of Axsun.** Axsun represents and warrants to and in favour of Sophia as follows, and acknowledges that Sophia is relying upon such representations and warranties:

(a) Axsun is a corporation formed by amalgamation under the CBCA, is a valid and subsisting corporation under the CBCA and is in compliance, in all material respects, with the requirements of the CBCA;

(b) Axsun has no subsidiaries and holds no interest in any other company, partnership, joint venture or similar entity;

(c) the authorized capital of Axsun is an unlimited number of common shares of which 1,000,000 Axsun Shares and nil Axsun Preferred Shares are issued and outstanding as at the date hereof, and after completion of the Axsun Reorganization, the authorized capital will consist of not more than 26,000,000 Axsun Shares and 3,000,000 Axsun Preferred Shares, and all of such shares are validly issued and outstanding as fully paid and non-assessable shares of Axsun;

(d) after completion of the Axsun Unit Private Placement, other than the Axsun Warrants and the Axsun Unit Agent's Options, no Person has any agreement, option, warrant or right to acquire or capable of becoming an agreement for the purchase or acquisition of any of the unissued share capital of Axsun, and there are no outstanding securities or instruments which are convertible into or exchangeable for shares of Axsun;

(e) the information concerning Axsun to be contained in the Information Circular will contain no untrue statement of a material fact and will not omit to state a material fact that is required to be stated or that is necessary to make a statement therein not misleading in light of the circumstances in which it will be made, and such information in the Information Circular will constitute full, true and plain disclosure of all material facts relating to the particular matters to be acted upon by the shareholders of Sophia at the Meeting concerning Axsun;

(f) there is no suit, action, litigation, arbitration proceeding or governmental proceeding, including appeals and applications for review, in progress, or, to the knowledge of Axsun, pending or threatened against or relating to Axsun, or affecting its properties (including, but not limited to, the Axsun Properties) or business which if determined adversely to Axsun might materially and adversely affect the properties, business, future prospects or the financial condition of Axsun or the right of Axsun to use, produce or sell its property or assets in whole or in part and there is not presently outstanding against Axsun any material judgment, decree, injunction, rule or order of any court, governmental department, commission, agency or arbitrator;

(g) Axsun is a taxable corporation as defined in the *Income Tax Act* (Canada) and is not liable, in any material respects, for any Canadian or United States federal, provincial, state, municipal or local taxes, assessments, withholding taxes, employee or other remittances, or other imposts or penalties due and unpaid at the date hereof in respect of its income, employees, business or property, or for the payment of any tax instalment due in respect of its current taxation year (but not including taxes accruing due) or any previous taxation years, and no such taxes, assessments, imposts, remittances or penalties are required to be reserved against. All such taxes, imposts, remittances and penalties have been properly calculated by Axsun, in all material respects, and Axsun is not in any material respect in default in filing any returns or reports covering any Canadian or United States federal, provincial, state, municipal or local taxes, assessments or other imposts in respect of its income, business or property and Axsun has complied in all material respects with all withholding, collection, remittance and other obligations under any applicable taxing statute;

(h) no consent, approval, order or authorization of, or registration, declaration or filing with, any third party or governmental entity is required by or with respect to Axsun in connection with the execution and delivery of this Agreement by Axsun, the performance of its obligations hereunder or the consummation by Axsun of the transactions contemplated hereby other than: (a) the unanimous approval of the Amalgamation by the shareholders of Axsun; (b) such registrations and other actions required under provincial and territorial securities laws as are contemplated by this Agreement and registrations and applications required as a result of the formation of a new corporation on the Amalgamation; (c) any filings with the Director; and (d) any other consents, approvals, orders, authorizations, registrations, declarations or filings which, if not obtained or made, would not, individually or in the aggregate, have a material adverse effect on Axsun or prevent or materially impair Axsun's ability to perform its obligations hereunder;

(i) Axsun is licensed, registered and qualified, in all material respects, and possesses all material certificates, authorizations, permits or licences issued by the appropriate regulatory authorities in the jurisdictions necessary to enable its business to be carried on as now conducted and to enable its property (including, but not limited to, the Axsun Properties) and assets to be owned, leased and operated as they are now, and all such licences, registrations and qualifications are in good standing, in all material respects;

(j) since August 1, 2011, there has not been any material adverse change in the condition or operation of Axsun or in its assets, properties, liabilities or financial condition, except as will be disclosed in the Information Circular;

(k) the audited consolidated financial statements for Axsun and its predecessors for the financial years ended October 31, 2010 and 2009 for the nine month period ended July 31, 2011, as well as the unaudited financial statements of Axsun for the period ended July 31, 2011, together with the notes to all of such financial statements, are true and correct and present fairly, in all material respects, the financial position of Axsun, as applicable as at such dates, and the results of its operations and changes in financial position for the period indicated in the said statements, and have been prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of prior periods;

(l) there is no pending disagreement between Axsun and its auditors which could materially affect the financial situation of Axsun;

(m) other than $100,000 owing by Axsun to Stavstan Inc., a private company controlled by Steve Ramescu, Axsun is not indebted to:

(i) any director, officer, employee or shareholder of Axsun;

(ii) any individual related to any of the foregoing by blood, marriage or adoption; or

(iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsections 4.2(m)(i) and (ii);

(n) none of those Persons referred to in subsection 4.2(m) is indebted to Axsun;

(o) to the best of the knowledge of Axsun, none of the directors or officers of Axsun (or such shareholders' respective principals) is or has ever been subject to prior regulatory, criminal or bankruptcy proceedings in Canada or elsewhere, except as disclosed in their respective Personal Information Forms to be filed with TSX Venture;

(p) no Person has any written or oral agreement, option, understanding or commitment or any right or privilege capable of becoming an agreement for the purchase, exchange, transfer or other disposition from Axsun of any material part of its assets, except in the ordinary course of business of Axsun consistent with past practice;

(q) other than the Employment Agreement (when executed), Axsun is not a party to any contracts, agreements or engagements with any director or officer of Axsun, either written or verbal, providing for a fixed period of employment;

(r) the entering into and performance of this Agreement and the transactions contemplated herein by Axsun will not violate:

(i) the constating documents or by-laws of Axsun;

(ii) any material agreement to which Axsun is a party, and will not give any Person any right to terminate or cancel any material agreement or any right enjoyed by Axsun because of such agreement, and will not result in the creation or imposition of any material lien, encumbrance or restriction of any nature whatsoever in favour of a third party upon or against Axsun or the assets of Axsun; or

(iii) any statute, regulation, order, judgment or decree by which Axsun is bound except for such violations which would not have a material adverse effect on the financial condition, assets or affairs of Axsun;

(s) Axsun has not incurred any obligation or liability, contingent or otherwise, for broker's or finder's fees in respect of the transactions contemplated herein, other than the Agent's Finder's Fee equal to 1.00% of the equity value of Axsun prior to completion of the Axsun Private Placement as calculated for the purposes of the Amalgamation and payable immediately prior to Closing by the issuance of Axsun Units based on the offering price of the Axsun Units in the Axsun Unit Private Placement;

(t) Axsun has no material liabilities, contingent or otherwise, except those set out in the financial statements referred to in subsection 4.2(k), or, thereafter, incurred in the ordinary course of business, and except in the ordinary course of business, Axsun has not guaranteed or indemnified, or agreed to guarantee or indemnify, any debt, liability or other obligation of any Person;

(u) the Information Circular will contain a list of all material contracts, agreements and commitments (whether written or oral) to which Axsun is a party, and all of such material contracts, agreements and commitments are in full force and effect and Axsun is not in default under any of such contracts, agreements or commitments, save and except for any breach or default which is not material or which has been waived by the other party to such contract, agreement or commitment;

(v) there does not exist any state of facts which after notice or lapse of time, or both, will constitute a material default or breach on the part of Axsun under any of the provisions contained in any of the material contracts, commitments or agreements entered into by Axsun;

(w) the corporate records and minute books of Axsun and its predecessors contain, in all material respects, complete and accurate minutes of all material decisions made at any meeting of the directors and shareholders since their date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed;

(x) Axsun maintains reasonably sufficient property, general liability and third party insurance and all of such insurance policies are in good standing and in the opinion of management of Axsun are sufficient, in all material respects, to protect Axsun against potential liabilities of the business of Axsun;

(y) Axsun has good, valid and marketable title to the properties and assets currently used in its business, real (including, but not limited to, the Axsun Properties), personal and mixed, free and clear of all mortgages, liens, pledges, security interests, charges, claims, restrictions, accruals and other encumbrances and defects of title of any nature whatsoever, other than as disclosed in the financial statements of Axsun referred to in subsection 4.2(k), except as would not be material or as may have been entered into after the date of the relevant financial statements in the ordinary course of business;

(z) the execution and delivery of this Agreement and the completion of the transactions contemplated herein have been, or in respect of the transactions contemplated herein will have been prior to Closing, approved by the board of directors of Axsun and this Agreement constitutes a valid and binding obligation of Axsun enforceable against it in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction;

(aa) except as required after the Amalgamation in respect of new tax and registration numbers, no notices, reports or other filings are required to be made by Axsun with, nor are any consents, registrations, approvals, permits or authorizations required to be obtained by Axsun from, any governmental or regulatory authority in connection with the execution and delivery of this Agreement by Axsun and the consummation of the transactions contemplated herein by Axsun, the failure to make or obtain any or all of which is reasonably likely to have a material adverse effect on the financial condition of

Axsun or could prevent, materially delay or materially burden the transactions contemplated herein;

(bb) Axsun is not currently a party to any material contract, agreement or understanding with any officer, director, employee, shareholder or any other Person not dealing at arm's length with Axsun, other than the Employment Agreement and an engagement letter in respect of the Axsun Private Placement;

(cc) Axsun maintains a system of internal accounting controls sufficient to provide reasonable assurances that: (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the preparation of financial statements in conformity with Canadian generally accepted accounting principles and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to differences; and (v) material information relating to Axsun is made known to those within Axsun responsible for the preparation of the financial statements during the period in which the financial statements have been prepared;

(dd) except as regards any matter relating to Sophia, there are no reasonable grounds for believing that a creditor of Axsun will be prejudiced by the Amalgamation;

(ee) no cease trade order has been issued against Axsun or any shares of Axsun in any jurisdiction, and to the knowledge of Axsun, no cease trade order is pending or threatened;

(ff) Axsun is not a party to, nor has obligations under, any collective bargaining agreement, and, to the knowledge of Axsun, there is no organizing activity involving Axsun pending or threatened by any labour union or group of employees and there are no representation proceedings pending or threatened with any governmental authority having jurisdiction over the business of Axsun, and no labour organization or group of employees of Axsun have made a pending demand for recognition;

(gg) except rights available for employees of Axsun at common law and the Employment Agreement, there is presently no material plan in place for retirement bonus, pension benefits, unemployment benefits, deferred compensation, severance or termination pay, insurance, sick leave, disability, salary continuation, legal benefits, vacation or other employee incentives or compensation that is contributed to or required to be contributed to, by Axsun for the benefit of any current or former director, senior officer, employee or consultant of Axsun;

(hh) Axsun is in compliance with all covenants and obligations of any secured indebtedness of Axsun;

(ii) except to the extent that any violation or other matter referred to in this subparagraph does not have a material adverse effect on Axsun:

(i) Axsun is not in violation of any applicable federal, provincial, state, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters in Canada, the United States or any other jurisdiction (collectively, "**Environmental Laws**");

(ii) Axsun has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;

(iii) there have been no spills, releases, deposits or discharges of toxic or Hazardous Substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Axsun that have not been remedied;

(iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business properties (including, but not limited to, the Axsun Properties) or assets of Axsun;

(v) Axsun has not failed to report to the proper federal, provincial, state, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign the occurrence of any event which is required to be so reported by any Environmental Law;

(vi) no written notice, notification, demand, request for information, citation, summons or order has been issued, to the knowledge of Axsun, no complaint has been filed, no penalty has been assessed and no investigation or review is commenced or, to the knowledge of Axsun, is contemplated by any entity with respect to any alleged failure by Axsun to have any environmental, health or safety permit, license or other authorization required under any Environmental Law in connection with the conduct of its business or the ownership of its properties (including, but not limited to, the Axsun Properties); and

(vii) Axsun has no underground storage tanks or surface impoundments for Hazardous Substances, active or abandoned, at any site, properties (including, but not limited to, the Axsun Properties) or facilities of Axsun. There has (or have) been no: (i) release of Hazardous Substances in violation of any Environmental Laws at, on or under any site, properties (including, but not limited to, the Axsun Properties) or facilities owned, operated or leased by Axsun; (ii) release, recycling, treatment, storage or disposal of Hazardous Substances generated by Axsun in violation of Environmental Laws at any location; (iii) environmental investigations, studies, audits, tests, reviews or other analyses conducted by or that are in the possession of Axsun;

(jj) the books of account and other records of Axsun, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practice;

(kk) neither Axsun nor any of its shareholders is a party to any unanimous shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of Axsun, other than the Axsun Unanimous Shareholders Agreement;

(ll) to the knowledge of Axsun, no insider of Axsun has a present intention to sell any securities of Axsun held by it;

(mm) all the personal property and tangibles owned or used by Axsun in connection with its business are in working order, operational and free of any material defect, except for normal wear and tear, having regard to the use and age of such property;

(nn) Axsun is not a party to any material lease or agreement in the nature of a lease, whether as lessor or lessee, except as described in the financial statements referred to in subsection 4.2(k), and except for leases of office equipment, or other personal property the value of which is less than $25,000, or the term of which is less than two years;

(oo) although it does not warrant title, Axsun has no reason to believe that Axsun does not own or have the right to use all of the patents (pending or otherwise), patent rights, licenses, permits, consents, registrations, inventions, copyrights, trademarks, service marks and trade names and, to the best of its knowledge, know-how (including trade secrets and other uncopyrighted, unpatented or unpatentable proprietary or confidential information, systems or procedures) and other intellectual property of any nature whatsoever (collectively, the "**Intellectual Property**") which are necessary for the lawful conduct of the business of Axsun as now conducted or presently proposed to be conducted. No royalty or other fee is required to be paid by Axsun to any other person in respect of the use of any of the Intellectual Property. To the knowledge of Axsun, no employee of Axsun is in violation of any term or any non disclosure, proprietary rights or similar agreement between such employee and Axsun or between such employee and any former employer. To the knowledge of Axsun, all technical information developed by and belonging to Axsun which has not been copyrighted or patented has been kept confidential. None of the directors, officers, employees or principal shareholders of Axsun, or Related Parties thereto, owns any trade-marks, trade-names, patents, copyrights or other intellectual property rights used by Axsun and, if they ever owned such intellectual property rights, they have transferred all such rights to Axsun and have not licensed same to any person, other than Axsun. Each of the directors, officers, employees or principal shareholders of Axsun has waived all of its moral rights, if any, in Axsun's works in which copyright subsist;

(pp) there are no material restrictions on the ability of Axsun to use and exploit all rights in the Intellectual Property required in the ordinary course of the business of Axsun. None of the rights of Axsun in the Intellectual Property will be impaired or affected in any way by the transactions contemplated by this Agreement;

(qq) to the knowledge of Axsun, (i) there are no rights of third parties to any such Intellectual Property; (ii) there is no infringement by third parties of any such Intellectual Property; (iii) there is no pending or threatened action, suit, proceeding or claim by others against Axsun challenging the rights of Axsun in or to any such Intellectual Property, and Axsun is unaware of any facts which, to Axsun's knowledge, would form a reasonable basis for any such claim; (iv) there is no pending or threatened action, suit, proceeding or claim by others against Axsun challenging the validity or scope of any such Intellectual Property, and Axsun is unaware of any facts which, to its knowledge, would form a reasonable basis for any such claim; (v) there is no pending or threatened action, suit, proceeding or claim by others against Axsun asserting that Axsun infringes or otherwise violates, or would infringe or otherwise violate any patent, trademark, copyright, trade secret or other proprietary rights of others, and Axsun is unaware of any facts which, would form a reasonable basis for any such claim; (vi) there is no patent or patent application which contains valid claims that dominate any Intellectual Property that is necessary for the conduct of its principal business as currently conducted or currently contemplated to be conducted or that interferes with the issued claims of any such Intellectual Property; and (vii) there is no prior act of which Axsun is aware that may render any patent held by Axsun invalid or any patent application held, unpatentable, which has not been disclosed to the applicable patent-issuing authority;

(rr) with respect to each of the premises of Axsun which is material to it and which it occupies as tenant (the "**Leased Premises**"), Axsun occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Axsun occupies the Leased Premises is in good standing and in full force and effect except where any deficiencies do not have a material adverse effect on Axsun;

(ss) Axsun is not a party to or bound or affected by any contract limiting its freedom to compete in any line of business or any geographic area, acquire goods or services from any supplier, establish the prices at which it may sell any goods or services, sell goods or services to any customer or potential customer, or transfer or move any of its assets or operations;

(tt) neither Axsun nor, to the knowledge of Axsun, any officer, director, employee or agent of Axsun has, directly or indirectly (a) paid or delivered any fee, commission or other sum of money or item of property, however characterized, to any broker, finder, agent, client representative, employee, political party or campaign, government official or other person, which any officer, director, employee or agent of Axsun knew or had reason to believe, or ought to have known, was in violation of the *Corruption of Foreign Public Officials Act* (Canada), the United States *Foreign Corrupt Practices Act of 1977*, as amended, or any applicable law implementing the provisions of the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada); or (b) made or received a bribe, rebate, payoff, influence payment, kickback or other unlawful payment;

(uu) Axsun has not been, nor to the knowledge of Axsun, has any director, officer, agent, employee, affiliate or person acting on behalf Axsun been or is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department ("**OFAC**"); and Axsun will not directly or indirectly lend, contribute or otherwise make available funds to finance any investments in, or make any payments to, any country or person targeted by any of the sanctions of the United States administered by OFAC; and

(vv) to the knowledge of Axsun, Axsun has not withheld from Sophia any material information or documents concerning Axsun or its assets or liabilities during the course of Sophia's review of Axsun and its assets. No representation or warranty contained herein and no statement contained in any schedule or other disclosure document required to be delivered to Sophia by Axsun pursuant hereto contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading.

ARTICLE 5
CONDITIONS PRECEDENT AND OTHER MATTERS

5.1 **Mutual Conditions Precedent**. The respective obligations of the parties hereto to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions any of which may be waived by the mutual consent of such parties without prejudice to their rights to rely on any other or others of such conditions:

(a) the transactions contemplated herein, including the Continuance and the Amalgamation, shall have been approved by the required majority of the votes of the shareholders of Sophia who, being entitled to do so, vote in person or by proxy at the Meeting in accordance with the provisions of the BCBCA and the CBCA;

(b) the Amalgamation shall have been approved by the shareholders of Axsun in accordance with the provisions of the CBCA;

(c) the securities of Amalco to be issued upon the completion of the Amalgamation shall have been accepted for listing by the TSX Venture, subject to Amalco fulfilling the TSX Venture's usual and ordinary listing requirements;

(d) the TSX Venture shall have granted conditional approval to the Amalgamation as a Qualifying Transaction of Sophia;

(e) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation the Continuance or the Amalgamation;

(f) all consents, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to each of the parties hereto, acting reasonably;

(g) the board of directors of Amalco shall consist of those directors itemized in Section 2.7;

(h) this Agreement shall not have been terminated in accordance with Section 7.2; and

(i) Axsun shall have closed the Axsun Unit Private Placement for gross proceeds of a minimum of $4,500,000 or such greater amount as may be required by TSX Venture, if any.

5.2 **Conditions to Obligations of Axsun.** The obligation of Axsun to consummate the transactions contemplated herein is subject to the satisfaction, on or before the Closing Date, of the following conditions:

(a) each of the acts and undertakings of Sophia to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by Sophia;

(b) no material adverse change in the business, affairs, assets or operations of Sophia shall have occurred between the date hereof and the Closing Date;

(c) except as affected by the transactions contemplated herein, the representations and warranties of Sophia contained in Section 4.1 shall be true in all material respects on the Closing Date with the same effect as though such representations and warranties had been made at and as of such time and Axsun shall have received a certificate to that effect, dated the Closing Date, from an officer of Sophia acceptable to Axsun, to the best of his knowledge, having made reasonable inquiry;

(d) the covenants of Sophia contained in Sections 3.3 and 3.4 shall have been complied with and Axsun shall have received a certificate of an officer of Sophia to such effect and outlining the cash on hand and liabilities of Sophia (including accrued fees payable) on the Closing Date;

(e) Sophia shall have furnished Axsun with:

(i) certified copies of the resolutions passed by the board of directors of Sophia approving this Agreement and the consummation of the transactions contemplated herein;

(ii) certified copies of the resolutions passed by the shareholders of Sophia at the Meeting approving the Continuance and the Amalgamation;

(iii) a conditional approval letter from the TSX Venture approving the Amalgamation upon the terms hereof as a Qualifying Transaction of Sophia, approving the listing of the Amalco Shares issuable pursuant to the Amalgamation upon exercise of any securities of Amalco convertible or exercisable into Amalco Shares to the usual conditions; and

(iv) a certificate of the Registrar and Transfer Agent outlining the number of issued and outstanding Sophia Shares; and

(f) the latest available audited financial statements of Sophia shall be true and correct and shall have been prepared in accordance with generally accepted accounting principles.

The conditions described above are for the exclusive benefit of Axsun and may be asserted by Axsun regardless of the circumstances, or may be waived by Axsun in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Axsun may have hereunder or at law.

5.3 **Conditions to Obligations of Sophia**. The obligations of Sophia to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions:

(a) each of the acts and undertakings of Axsun to be performed on or before the Closing Date pursuant to the terms of this Agreement shall have been duly performed by Axsun;

(b) no material adverse change in the business, affairs, financial condition or operations of Axsun shall have occurred between the date hereof and the Closing Date;

(c) except as affected by the transactions contemplated herein, the representations and warranties of Axsun contained in Section 4.2 shall be true in all material respects on the

Closing Date with the same effect as though such representations and warranties had been made at and as of such time, and Sophia shall have received a certificate to such effect, dated the Closing Date, of a senior officer of Axsun to the best of his knowledge having made reasonable inquiry;

(d) the covenants of Axsun contained in Sections 3.1 and 3.2 shall have been complied with, and Sophia shall have received a certificate to such effect, dated the Closing Date, of a senior officer of Axsun;

(e) Axsun shall have furnished Sophia with:

(i) certified copies of the closing documentation in connection with the completion of the Axsun Unit Private Placement;

(ii) certified copies of the resolutions passed by the board of directors of Axsun approving this Agreement, the Axsun Unit Private Placement and the Employment Agreement, as well as the consummation of the transactions contemplated herein; and

(iii) certified copies of the resolutions of the shareholders of Axsun approving the Amalgamation;

(f) the TSX Venture Escrow Agreement shall have been entered into;

(g) the Employment Agreement shall have been entered into with terms and conditions satisfactory to Sophia;

(h) the latest available financial statements of Axsun shall be true and correct and shall have been prepared in accordance with generally accepted accounting principles;

(i) the Escrow Transfer shall have been completed; and

(j) the Axsun Unanimous Shareholders Agreement shall have been terminated.

The conditions described above are for the exclusive benefit of Sophia and may be asserted by Sophia regardless of the circumstances, or may be waived by Sophia in its sole discretion, in whole or in part, at any time and from time to time without prejudice to any other rights which Sophia may have hereunder or at law.

5.4 **Merger of Conditions**. The conditions set out in Sections 5.1, 5.2 and 5.3 shall be conclusively deemed to have been satisfied, waived or released on the filing by Sophia and Axsun of the Articles of Amalgamation with the Director.

ARTICLE 6
NOTICES

6.1 **Notices**. All notices, requests and demands hereunder, which may or are required to be given pursuant to any provision of this Agreement, shall be given or made in writing and shall be delivered by courier, telecopier or e-mail as follows:

(a) to Sophia, addressed to:

Sophia Capital Corp.
112 West 6th Avenue
Vancouver, British Columbia V5Y 1K6
Attention: Kirk Shaw
Fax: (604) 739-8835
Email: kirk.shaw@odysseymediainc.com

with a copy to, which shall not constitute notice:

Burstall Winger LLP
Suite 1600, Dome Tower
333 - 7th Avenue S.W.
Calgary, Alberta T2P 2Z1
Attention: Douglas M. Stuve
Fax: (403) 265-8565
Email: dstuve@burstall.com

(b) to Axsun addressed to:

Axsun Inc.
4900 Armand Frappier
Saint-Hubert, Quebec J3Z 1G5
Attention: Steve Ramescu
Fax: (450) 445-3427
Email: sramescu@axsungroup.com

with a copy to, which shall not constitute notice:

Spiegel Sohmer Inc.
5 Place Ville-Marie, Bureau 1203
Montreal, Quebec H3B 2G2
Attention: Yves Dupras
Fax: (514) 875-8337
Email: ydupras@spiegelsohmer.com

or to such other addresses and telecopier numbers as the parties may, from time to time, advise to the other parties hereto by notice in writing. All notices, requests and demands hereunder shall be deemed to have been received, if delivered by courier on the date of delivery and if sent by fax or e-mail, on the next Business Day after the fax or e-mail was sent.

ARTICLE 7
AMENDMENT AND TERMINATION OF AGREEMENT

7.1 **Amendment**. This Agreement may, at any time and from time to time before or after the holding of the Meeting, be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the parties hereto;

(b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;

(c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the parties hereto; or

(d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment shall change the provisions hereof regarding the consideration to be received by securityholders of Sophia and the securityholders of Axsun without approval by such securityholders of Sophia and Axsun given in the same manner as required for the approval of the Amalgamation.

7.2 **Rights of Termination**. If any of the conditions contained in Article 5 shall not be fulfilled or performed by February 28, 2012 (the "**Termination Date**") and such condition is contained in:

(a) Section 5.1, any of the parties hereto may terminate this Agreement by notice to the other party;

(b) Section 5.2, Axsun may terminate this Agreement by notice to Sophia; or

(c) Section 5.3, Sophia may terminate this Agreement by notice to Axsun.

If this Agreement is terminated as aforesaid, the party terminating this Agreement shall be released from all obligations under this Agreement, all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder; and further provided that any of such conditions may be waived in full or in part by either of the parties without prejudice to its rights of termination in the event of the non-fulfilment or non-performance of any other condition.

7.3 **Notice of Unfulfilled Conditions**. If either of Sophia or Axsun shall determine at any time prior to the Effective Date that it intends to refuse to consummate the Amalgamation or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, Sophia or Axsun, as the case may be, shall so notify the other of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

7.4 **Mutual Termination**. This Agreement may, at any time before or after the holding of the Meeting, but no later than the last Business Day immediately preceding the Effective Date, be terminated by mutual agreement of the directors of Sophia and Axsun without further action on the part of the shareholders of Sophia, and, if the Amalgamation does not become effective on or before the Termination Date, either Sophia or Axsun may unilaterally terminate this Agreement, which termination will be effective upon a resolution to that effect being passed by its directors and notice thereof being given to the other of them.

ARTICLE 8
GENERAL

8.1 **Stand Still Agreement.** As long as this Agreement is in effect and except as contemplated herein, neither Sophia nor Axsun (including their respective directors, officers and agents) will solicit any discussions, expressions of interest, proposals or accept any offers from any Person relating to a possible merger, amalgamation, arrangement or relating to the sale of substantially all of the shares or assets, or any controlling equity interest of Sophia or Axsun, as applicable, provided however that the board of directors of Sophia and Axsun, as applicable, may take action or refrain from taking action as is appropriate to satisfy applicable fiduciary duties and further provided that Sophia and Axsun (including their directors, officers and agents) may solicit and accept offers if the Articles of Amalgamation are not filed with the Director on or before the Termination Date.

8.2 **Disclosure of Alternative Transaction.** In the event either Axsun or Sophia shall receive an unsolicited proposal, offer or expression of interest in connection with any of those matters referred to in Section 8.1 on or before the Termination Date, the recipient of such proposal, offer or expression of interest shall notify the other parties hereto and shall provide details of such proposal, offer or expression of interest to the other parties hereto.

8.3 **Entire Agreement.** The terms and provisions herein contained and the schedules hereto constitute the entire agreement between the parties and shall supersede all previous oral or written communications including, without limitation, the letter agreement between the parties dated September 21, 2011.

8.4 **Binding Effect**. This Agreement shall be binding upon and enure to the benefit of the parties hereto.

8.5 **Waiver and Modification.** Axsun and Sophia may waive or consent to the modification of, in whole or in part, any inaccuracy or any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants or agreements herein contained for their respective benefit or waive or consent to the modification of any of the obligations of the other parties hereto. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the party granting such waiver or consent.

8.6 **No Personal Liability.**

(a) No director, officer, employee or agent of Sophia shall have any personal liability whatsoever to Axsun under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of Sophia.

(b) No director, officer, employee or agent of Axsun shall have any personal liability whatsoever to Sophia under this Agreement, or any other document delivered in connection with the Amalgamation on behalf of Axsun.

8.7 **Assignment**. No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of the other parties hereto.

8.8 **Public Disclosure**. The parties agree to consult with each other before making any public disclosure or announcement of or pertaining to this Agreement, and that any such disclosure or announcement shall be mutually satisfactory to all parties; provided, however, this Section shall not apply in the event any party hereto is advised by its counsel that certain disclosures or announcements, which the other parties after reasonable notice will not consent to, are required to be made by applicable laws, stock exchange rules or policies of regulatory authorities having jurisdiction.

8.9 **Expenses**. Whether or not the Amalgamation is completed, Sophia and Axsun agree each party shall pay 50% of the costs of Burstall Winger LLP incurred pursuant to the Amalgamation, to a maximum of $50,000 as a liability of Axsun. Sophia and Axsun shall otherwise each pay for their own respective other costs and expenses incurred in connection with the documentation prepared in connection with the Amalgamation.

8.10 **Time of Essence**. Time shall be of the essence of this Agreement.

8.11 **Governing Law**. This Agreement shall be governed by and construed in accordance with the laws of the Province of Quebec and the federal laws of Canada applicable therein, and the parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of Quebec.

8.12 **Severability**. In the event that any provisions contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, this Agreement shall continue in force with respect to the enforceable provisions and all rights and remedies accrued under the enforceable provisions shall survive any such declaration, and any non-enforceable provision shall to the extent permitted by law be replaced by a provision which, being valid, comes closest to the intention underlying the invalid, illegal and unenforceable provision.

8.13 **Confidentiality.** Each of Axsun and Sophia will provide such information as to its financial condition, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the other party. Such information which:

(a) has not become generally available to the public; or

(b) was not available to a party or its representatives on a non-confidential basis before the date of this Agreement; or

(c) does not become available to a party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the party or its representatives;

will be kept confidential by each party and shall constitute confidential information (the "**confidential information**"). No confidential information may be released to third parties without the consent of the provider thereof, except that the parties hereto agree that they will not unreasonably withhold such consent to the extent that such confidential information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents.

8.14 **Further Assurances**. Each party hereto shall, from time to time, and at all times hereafter, at the request of the other parties hereto, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

8.15 **Counterparts and Facsimile Copies**. This Agreement may be executed in separate counterparts, and all such counterparts when taken together shall constitute one (1) agreement. The parties shall be entitled to rely on delivery of a facsimile copy of the executed Agreement and such facsimile copy shall be legally effective to create a valid and binding Agreement.

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first above written.

SOPHIA CAPITAL CORP.

Per: *"Kirk Shaw"*
Kirk Shaw, President

AXSUN INC.

Per: *"Steve Ramescu"*
Steve Ramescu, President

SCHEDULE A

ARTICLES OF AMALGAMATION

SCHEDULE "A" to Articles of Amalgamation

CLASSES AND MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE

The Corporation is authorized to issue:

- an unlimited number of common shares; and
- an unlimited number of preferred shares (issuable in series);

having attached thereto the rights, privileges, restrictions and conditions hereinafter set forth.

COMMON SHARES

There shall be attached to the common shares, the following rights, privileges, restrictions and conditions, namely:

1. The holders of common shares shall be entitled to receive notice of, and to vote at every meeting of the shareholders of the Corporation and shall have one (1) vote thereat for each such common share so held.

2. Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of the Corporation, the holders of common shares shall be entitled to receive such dividend as the directors may from time to time, by resolution, declare.

3. Subject to the rights, privileges, restrictions and conditions attached to any preferred shares of the Corporation, in the event of liquidation, dissolution or winding up of the Corporation or upon any distribution of the assets of the Corporation among shareholders being made (other than by way of dividend out of monies properly applicable to the payment of dividends) the holders of common shares shall be entitled to share pro rata.

PREFERRED SHARES (ISSUABLE IN SERIES)

There shall be attached to the preferred shares, the following rights, privileges, restrictions and conditions, namely:

1. The directors of the Corporation may, from time to time, issue the preferred shares in one or more series, each series to consist of such number of shares as may before issuance thereof, be determined by the directors.

2. The directors of the Corporation may, by resolution (subject as hereinafter provided) fix before issuance, the designation, rights, privileges, restrictions and conditions to attach to the preferred shares of each series, including, without limiting the generality of the foregoing, the rate, form, entitlement and payment of preferential dividends, the redemption price, terms, procedures and conditions of redemption, if any, voting rights and conversion rights (if any) and any sinking fund, purchase fund or other provisions attaching to the preferred shares of such series; and provided however, that no shares of any series shall be issued until the directors have filed Articles of Amendment with the Director of the Corporations Directorate of Industry Canada, or such designated person in any other jurisdiction in which the Corporation may be continued.

3. If any cumulative dividends or amounts payable on return of capital in respect of a series of shares are not paid in full, the shares of all series shall participate ratably in respect of accumulated dividends and return of capital.

4. The preferred shares shall be entitled to preference over the common shares of the Corporation and any other shares of the Corporation ranking junior to the preferred shares with respect to the payment of dividends, if any, and in the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs, and may also be given such other preferences over the common shares of the Corporation and any other shares of the Corporation ranking junior to the preferred shares as may be fixed by the resolution of the directors of the Corporation as to the respective series authorized to be issued.

5. The preferred shares of each series shall rank on a parity with the preferred shares of every other series with respect to priority in the payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary exclusive of any conversion rights that may affect the aforesaid.

6. No dividends shall at any time be declared or paid on or set apart for payment on any shares of the Corporation ranking junior to the preferred shares unless all dividends, if any, up to and including the dividend payable for the last completed period for which such dividend shall be payable on each series of preferred shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on such shares of the Corporation ranking junior to the preferred shares nor shall the Corporation call for redemption or redeem or purchase for cancellation or reduce or otherwise pay off any of the preferred shares (less than the total amount then outstanding) or any shares of the Corporation ranking junior to the preferred shares unless all dividends up to and including the dividend payable, if any, for the last completed period for which such dividends shall be payable on each series of the preferred shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

7. Preferred shares of any series may be purchased for cancellation or made subject to redemption by the Corporation out of capital pursuant to the provisions of the Canada Business Corporations Act, if the directors so provide in the resolution of the Board of Directors of the Corporation relating to the issuance of such preferred shares, and upon such other terms and conditions as may be specified in the designations, rights, privileges, restrictions and conditions attaching to the preferred shares of such series as set forth in the said resolution of the Board of Directors and the Articles of Amendment of the Corporation relating to the issuance of such series.

8. The holders of the preferred shares shall not, as such, be entitled as of right to subscribe for or purchase or receive any part of any issue of shares or bonds, debentures or other securities of the Corporation now or hereafter authorized.

9. No class of shares may be created or rights and privileges increased to rank in parity or priority with the rights and privileges of the preferred shares including, without limiting the generality of the foregoing, the rights of the preferred shares to receive dividends or to return of capital, without the approval of the holders of the preferred shares as required under the *Canada Business Corporations Act*.

SCHEDULE "B" to Articles of Amalgamation

OTHER PROVISIONS

Appointments Of Directors

The directors may appoint one or more additional directors of the Corporation, who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.

SCHEDULE B

CBCA BYLAWS OF SOPHIA

BY LAW NUMBER 1

A BY LAW RELATING GENERALLY TO THE TRANSACTION OF THE BUSINESS AND AFFAIRS OF

SOPHIA CAPITAL CORP.
(the "Corporation")

CONTENTS

SECTION ONE

INTERPRETATION

1.01 DEFINITIONS

In the by-laws of the Corporation, unless the context otherwise requires:

"Act" means the *Canada Business Corporations Act*, and any statute that may be substituted therefore, as from time to time amended;

"appoint" includes "elect" and vice versa;

"articles" means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution, articles of revival of the Corporation and includes an amendment to any of them;

"board" means the board of directors of the Corporation;

"by-laws" means this by law and all other by laws of the Corporation from time to time in force and effect;

"corporation" means a body corporate incorporated or continued under the Act and not discontinued under the Act;

"electronic document" means, subject to the Act, any form of representation of information or of concepts fixed in any medium in or by electronic, optical or other similar means and that can be read or perceived by a person or by any means;

"information system" means a system used to generate, send, receive, store or otherwise process an electronic document;

"meeting of shareholders" includes an annual meeting of shareholders and a special meeting of shareholders;

"non business day" means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act* (Canada);

"prescribed" means prescribed by the Act or the regulations, as the case may be;

"recorded address" means in the case of a shareholder, the shareholder's latest address as shown in the records of the Corporation or its transfer agent; and in the case of a director, at the director's latest address as shown in the records of the Corporation or in the last notice filed under the Act; and in the case of an officer, an auditor or a member of a committee of the board, such person's latest address as recorded in the records of the Corporation;

"regulations" means the regulations to the Act and any regulations that may be substituted therefore, as from time to time amended;

"signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by section 2.04 or by a resolution passed pursuant thereto;

"special meeting of shareholders" includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

"unanimous shareholder agreement" means a written agreement among all the shareholders of the Corporation, or among all such shareholders and a person who is not a shareholder, that restricts, in whole or in part, the powers of the directors to manage, or supervise the management of, the business and affairs of the Corporation, as from time to time amended; or a written declaration made by a person who is the beneficial owner of all the issued shares of the Corporation that restricts, in whole or in part, the powers of the directors to manage, or supervise the management of, the business and affairs of the Corporation, as from time to time amended;

Save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, associations, unincorporated organizations and personal representatives.

SECTION TWO

BUSINESS OF THE CORPORATION

2.01 REGISTERED OFFICE

Until changed in accordance with the Act, the registered office of the Corporation shall be in the province specified in the articles, and at such location therein as the board may from time to time determine.

2.02 CORPORATE SEAL

The Corporation may, but need not, adopt a corporate seal, and may change a corporate seal that is adopted. A document executed on behalf of the Corporation is not invalid merely because a corporate seal is not affixed to it.

2.03 FINANCIAL YEAR

The financial year of the Corporation shall be determined by the board from time to time.

2.04 EXECUTION OF INSTRUMENTS

Any officer or any director may sign certificates and similar instruments (other than share certificates) on the Corporation's behalf with respect to any factual matters relating to the Corporation's business and affairs, including certificates certifying copies of the articles, by laws, resolutions and minutes of meetings of the Corporation. Subject to the foregoing:

(a) Deeds, transfers, assignments, contracts, obligations and other instruments shall be signed on behalf of the Corporation by one or more persons who hold the office of director, chairman of the board, president, managing director, vice president, secretary, treasurer, assistant secretary or assistant treasurer or any other office created by by-law or by resolution of the board. When there is only one director and that director is the only officer of the Corporation, deeds, transfers, assignments, contracts, obligations and other instruments may be signed by that person alone, as director or officer, on behalf of the Corporation;

(b) Security certificates (including share certificates) shall be signed by at least one director or officer of the Corporation, or by a registrar, transfer agent or branch transfer agent of the Corporation or an individual on their behalf, or by a trustee who certifies it in accordance with a trust indenture. Any signatures required on a security certificate (including share certificates) may be printed or otherwise mechanically reproduced on it.

In addition, the board may from time to time direct the person or persons by whom any particular instrument or class of instruments may or shall be signed. Any signing officer or director may affix the corporate seal to any instrument requiring the same.

Any resolutions of the directors or shareholders of the Corporation and any documents and other instruments in writing requiring execution on behalf of the Corporation may be executed in separate counterparts, and all such executed counterparts when taken together shall constitute one resolution, document or other instrument in writing as the case may be. The Corporation and the directors and shareholders shall be entitled to rely on delivery of a facsimile copy of any executed resolution of the directors or shareholders of the Corporation or any executed document or other instrument in writing and such facsimile copy shall be legally effective to create a valid and binding resolution, document or other instrument in writing as the case may be.

2.05 BANKING ARRANGEMENTS

The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefore, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time prescribe or authorize.

2.06 VOTING RIGHTS IN OTHER BODIES CORPORATE

The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

SECTION THREE

BORROWING AND SECURITIES

3.01 BORROWING POWER

Without limiting the borrowing powers of the Corporation as set forth in the Act and subject to the articles and any unanimous shareholder agreement, the board may from time to time:

(a) borrow money upon the credit of the Corporation;

(b) issue, reissue, sell, pledge or hypothecate debt obligations of the Corporation, whether secured or unsecured;

(c) give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and

(d) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.02 DELEGATION

Subject to the articles and any unanimous shareholder agreement, the board may from time to time delegate to such one or more of the directors and officers of the Corporation or a committee of directors as may be designated by the board all or any of the powers conferred on the board by section 3.01 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

SECTION FOUR

DIRECTORS

4.01 NUMBER OF DIRECTORS AND QUORUM

Until changed in accordance with the Act, the board shall consist of not fewer than the minimum number and not more than the maximum of directors provided in the articles. Subject to section 4.09, the quorum for the transaction of business at any meeting of the board shall consist of a majority of the directors holding office or such greater or lesser number of directors as the board may from time to time determine.

4.02 QUALIFICATION

No person shall be qualified for election as a director if he is less than 18 years of age; if he is of unsound mind and has been so found by a court in Canada or elsewhere; if he is not an individual; or if he has the status of a bankrupt. A director need not be a shareholder.

4.03 RESIDENCY

Subject to the Act, at least 25% of the directors of the Corporation must be resident Canadians. However, if the Corporation has less than four directors, at least one director must be a resident Canadian.

4.04 ELECTION AND TERM

The election of directors shall take place at the first meeting of the shareholders and at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re election. The number of directors to be elected at any such meeting shall, if a maximum or minimum number of directors is authorized, be the number of directors then in office unless the directors or the shareholders otherwise determine or shall, if a fixed number of directors is authorized, be such fixed number. The election shall be by resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.05 REMOVAL OF DIRECTORS

Subject to the provisions of the Act, the shareholders may by resolution passed at a meeting specially called for such purpose remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the directors.

4.06 VACATION OF OFFICE

A director ceases to hold office when: he dies; he is removed from office by the shareholders; he ceases to be qualified for election as a director, or his written resignation is sent or delivered to the Corporation, or, if a time is specified in such resignation, at the time so specified, whichever is later.

Subject to the Act, if all of the directors of the Corporation have resigned or have been removed without replacement, a person who manages or supervises the management of the business and affairs of the Corporation is deemed to be a director for the purposes of the Act.

4.07 VACANCIES

Subject to the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the minimum number of directors or from a failure of the shareholders to elect the minimum number of directors provided for in the articles. In the absence of a quorum of the board, or if the vacancy has arisen from a failure of the shareholders to elect the minimum number of directors provided for in the articles, the board shall forthwith call a special meeting of shareholders to fill the vacancy. If the board fails to call such meeting or if there are no directors then in office, any shareholder may call the meeting.

4.08 ACTION BY THE BOARD

Subject to any unanimous shareholder agreement, the board shall manage, or supervise the management of, the business and affairs of the Corporation. Subject to sections 4.09 and 4.10, the powers of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum remains in office. Where the Corporation has only one director, that director may constitute a meeting.

4.09 CANADIAN DIRECTORS PRESENT AT MEETINGS

Subject to the Act, the board shall not transact business at a meeting unless,

(a) if the Corporation is subject to subsection 105(3) of the Act, at least 25% of the directors present are resident Canadians, or if the Corporation has less than four directors, at least one of the directors present is a resident Canadian; or

(b) if the Corporation is subject to subsection 105(3.1) of the Act, a majority of the directors present are resident Canadians or if the Corporation has only two directors, at least one of the directors present is a resident Canadian.

Despite the foregoing but subject to the Act, directors may transact business at a meeting of directors where the number of resident Canadian directors required is not present if

(a) a resident Canadian director who is unable to be present approves in writing, or by telephonic, electronic or other communication facility, the business transacted at the meeting, or

(b) the required number of resident Canadian directors would have been present had that director been present at the meeting.

4.10 PARTICIPATION

A director may, in accordance with the regulations, if any, and if all the directors of the Corporation consent, participate in a meeting of directors or of a committee of directors by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director participating in such a meeting by such means is deemed for the purposes of the Act, to be present at that meeting.

4.11 PLACE OF MEETINGS

Meetings of the board may be held at any place in or outside Canada.

4.12 CALLING OF MEETINGS

Meetings of the board shall be held from time to time at such place, on such date and at such time as the board, the chairman of the board, the managing director, the president or any two directors may determine.

4.13 NOTICE OF MEETING

Notice of the time and place of each meeting of the board shall be given in the manner provided in section 12.01 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including, if required by the Act, any proposal to:

(a) submit to the shareholders any question or matter requiring approval of the shareholders;

(b) fill a vacancy among the directors or in the office of auditor, or appoint additional directors;

(c) issue securities except as authorized by the directors;

(d) issue shares of a series under the Act except as authorized by the directors;

(e) declare dividends;

(f) purchase, redeem or otherwise acquire shares issued by the Corporation;

(g) pay a commission referred to in the Act except as authorized by the directors;

(h) approve a management proxy circular;

(i) approve a take-over bid circular or directors' circular;

(j) approve any annual financial statements; or

(k) adopt, amend or repeal by laws.

A director may in any manner waive notice of or otherwise consent to a meeting of the board.

4.14 FIRST MEETING OF NEW BOARD

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

4.15 ADJOURNED MEETING

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.16 REGULAR MEETINGS

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.17 CHAIRMAN

The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the board, managing director, president, or a vice president. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the directors present shall choose one of their number to be chairman.

4.18 VOTES TO GOVERN

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

4.19 CONFLICT OF INTEREST

A director or officer who is a party to; or who is a director or officer, or an individual acting in a similar capacity, of a party to; or has a material interest in any person who is a party to, a material contract or material transaction, whether made or proposed, with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or proposed contract shall be referred to the board or, in the event that all of the directors are so interested in such contract or the directors determine that it is advisable, to the shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or shareholders. A director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as provided by the Act.

4.20 REMUNERATION AND EXPENSES

Subject to any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefore.

4.21 VALIDITY OF ACTS OF DIRECTORS AND OFFICERS

An act of a director or officer is valid notwithstanding an irregularity in their election or appointment or a defect in their qualification.

SECTION FIVE

COMMITTEES

5.01 COMMITTEE OF DIRECTORS

The board may appoint a committee of directors, however designated, and delegate to such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of directors has no authority to exercise.

5.02 TRANSACTION OF BUSINESS

Subject to the provisions of section 4.10, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.03 ADVISORY COMMITTEES

The board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

5.04 PROCEDURE

Unless otherwise determined by the board, each committee shall have power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

SECTION SIX

OFFICERS

6.01 APPOINTMENT

Subject to any unanimous shareholder agreement, the board may from time to time appoint a president, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to sections 6.02 and 6.03, an officer may but need not be a director and one person may hold more than one office.

6.02 CHAIRMAN OF THE BOARD

The board may from time to time also appoint a chairman of the board who shall be a director. If appointed, the board may assign to him any of the powers and duties that are by any provisions of this by law assigned to the managing director or to the president, and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the chairman of the board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

6.03 MANAGING DIRECTOR

The board may from time to time also appoint a managing director who shall be a resident Canadian and a director. If appointed, he shall be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation; and he shall, subject to the provisions of the Act, have such other powers and duties as the board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

6.04 PRESIDENT

The board may from time to time also appoint a president. If appointed, the president shall, subject to the discretion of the board, be the chief executive officer and, subject to the authority of the board, shall have general supervision of the business of the Corporation, and he shall have such other powers and duties as the board may specify. During the absence or disability of the managing director, or if no managing director has been appointed, the president shall also have the powers and duties of that office.

6.05 VICE PRESIDENT

The board may from time to time also appoint a vice-president. If appointed, the vice president shall have such powers and duties as the board or the chief executive officer may specify.

6.06 SECRETARY

The board may from time to time also appoint a secretary. If appointed, the secretary shall attend and be the secretary of all meetings of the board, shareholders and committees of the board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board or the chief executive officer may specify.

6.07 TREASURER

The board may from time to time also appoint a treasurer. If appointed, the treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board or the chief executive officer may specify.

6.08 POWERS AND DUTIES OF OTHER OFFICERS

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board or the chief executive officer otherwise directs.

6.09 VARIATION OF POWERS AND DUTIES

The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

6.10 TERM OF OFFICE

The board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract or otherwise at law. Otherwise each officer appointed by the board shall hold office until his successor is appointed, or until his earlier resignation.

6.11 TERMS OF EMPLOYMENT AND REMUNERATION

The terms of employment and the remuneration of an officer appointed by the board shall be settled by it from time to time.

6.12 CONFLICT OF INTEREST

An officer shall disclose his interest in any material contract or proposed material contract with the Corporation in accordance with section 4.19.

6.13 AGENTS AND ATTORNEYS

The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the powers to subdelegate) as may be thought fit.

6.14 FIDELITY BONDS

The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine.

SECTION SEVEN

PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 LIMITATION OF LIABILITY

Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject to the foregoing, no director or officer shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee, or for joining in any receipt or other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired for or on behalf of the Corporation, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations or from liability for any breach thereof.

7.02 INDEMNITY

Subject to the Act, the Corporation shall indemnify a director or officer of the Corporation; a former director or officer of the Corporation; or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other entity.

The Corporation shall not indemnify an individual under the foregoing unless the individual

(a) acted honestly and in good faith with a view to the best interests of the Corporation, or, as the case may be, to the best interests of the other entity for which the individual acted as director or officer or in a similar capacity at the Corporation's request, and

(b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful.

The Corporation shall also indemnify an individual in such other circumstances as the Act permits or requires.

7.03 INSURANCE

Subject to the Act, the Corporation may purchase and maintain insurance for the benefit of an individual referred to in section 7.02 against any liability incurred by the individual

(a) in the individual's capacity as a director or officer of the Corporation, or

(b) in the individual's capacity as a director or officer, or similar capacity, of another entity, if the individual acts or acted in that capacity at the Corporation's request,

in such amounts as the board may from time to time determine.

SECTION EIGHT

SHARES AND OTHER SECURITIES

8.01 ALLOTMENT

The Board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act.

8.02 COMMISSIONS

The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.03 REGISTRATION OF TRANSFERS

Subject to the provisions of the Act, no transfer of securities shall be registered in a securities register except upon presentation of the certificate representing such securities with an endorsement, which complies with the Act, made thereon or delivered therewith duly executed by an appropriate person as provided by the Act, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 8.05.

8.04 TRANSFER AGENTS AND REGISTRARS

The board may from time to time appoint one or more agents to maintain, in respect of each class of securities of the Corporation issued by it in registered form, a central securities register and one or more branch securities registers. Such a person may be designated as transfer agent or registrar according to his functions and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

8.05 LIEN FOR INDEBTEDNESS

If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder or the shareholder's personal representative for a debt of that shareholder to the Corporation, such lien may be enforced, subject to any other provisions of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or equity and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

8.06 NON RECOGNITION OF TRUSTS

Subject to the provisions of the Act, the Corporation may treat as absolute owner of any security the person in whose name the security is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice of description in the Corporation's records or on the security certificate.

8.07 SECURITY CERTIFICATES

Every holder of securities of the Corporation shall be entitled, at his option, to a security certificate that complies with the Act, or to a non transferable written acknowledgment of his right to obtain a security certificate, stating the number and class or series of securities held by him as shown on the securities register. Security certificates and acknowledgments of a shareholder's right to a security certificate, respectively, shall be in such form as the board shall from time to time approve. Any security certificate shall be signed in accordance with section 2.04 and need not be under the corporate seal; provided that, unless the board otherwise determines, certificates representing securities in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of security certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A security certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.08 REPLACEMENT OF SECURITY CERTIFICATES

The board or any officer or agent designated by the board shall direct the issue of a new security certificate in lieu of and upon cancellation of a security certificate that has been mutilated or in substitution for a security certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding the prescribed amount, if any, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

8.09 JOINT HOLDERS

If two or more persons are registered as joint holders of any security, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such security.

8.10 DECEASED SECURITY HOLDERS

In the event of the death of a holder, or of one of the joint holders, of any security, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

SECTION NINE

DIVIDENDS AND RIGHTS

9.01 DIVIDENDS

Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

9.02 DIVIDEND CHEQUES

A dividend payable in cash shall be paid by cheque or other comparable form of payment to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders, the cheque or other comparable form of payment shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque or other comparable form of payment as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.03 NON RECEIPT OF CHEQUES

In the event of non receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non receipt and of title as the board may from time to time prescribe whether generally or in any particular case.

9.04 <u>RECORD DATE FOR DIVIDENDS AND RIGHTS</u>

The board may, within the prescribed period, fix in advance a date, as a record date for determining shareholders entitled to receive payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation and, unless notice of the record date is waived in writing, notice of any such record date shall be given within the prescribed period. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or for the issue of any warrant or other evidence of or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

9.05 <u>UNCLAIMED DIVIDENDS</u>

Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION TEN

MEETINGS OF SHAREHOLDERS

10.01 <u>ANNUAL MEETINGS</u>

Subject to the Act, the annual meeting of shareholders shall be held at such time in each year and, subject to section 10.03, at such place as the board may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting.

10.02 <u>SPECIAL MEETINGS</u>

The board shall have power to call a special meeting of shareholders at any time.

10.03 <u>PLACE OF MEETINGS</u>

Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situate or, if the board shall so determine, at some other place in Canada. Subject to the Act, a meeting of shareholders of the Corporation may be held at a place outside Canada if the place is specified in the articles or if all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

10.04 <u>PARTICIPATION</u>

Any person entitled to attend a meeting of shareholders may participate in the meeting, in accordance with the regulations, if any, by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting, if the Corporation makes available such a communication facility. A person participating in a meeting by such means is deemed for the purposes of the Act to be present at the meeting.

10.05 MEETING HELD BY ELECTRONIC MEANS

If the directors or shareholders of the Corporation call a meeting of shareholders pursuant to the Act, those directors or shareholders, as the case may be, may determine that the meeting shall be held, in accordance with the regulations, if any, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

10.06 NOTICE OF MEETINGS

Notice of the time and place of each meeting of shareholders shall be given, within the prescribed period, in the manner provided in section 12.01, to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's or accountant's report, election of directors and reappointment of the incumbent auditor or accountant shall state the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.07 LISTS OF SHAREHOLDERS ENTITLED TO NOTICE AND TO VOTE

For every meeting of shareholders, the Corporation shall, within the time period prescribed by the Act, prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to receive notice of the meeting, as of the record date for notice of the meeting as fixed by the directors, or, if no record date is fixed by the directors, as deemed by the Act.

For every meeting of shareholders, the Corporation shall, within the time period prescribed by the Act, prepare a list of shareholders entitled to vote at the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting, as of the record date for voting at the meeting as fixed by the directors, or, if no record date is fixed by the directors, as deemed by the Act.

10.08 RECORD DATE FOR NOTICE AND VOTING

(a) The board may, within the prescribed period, fix in advance a date, as a record date for determining shareholders entitled to receive notice of a meeting of shareholders.

If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is so given or, if no notice is given, the day on which the meeting is held.

(b) The board may, within the prescribed period, fix in advance a date, as a record date for determining shareholders entitled to vote at a meeting of shareholders.

(c) If a record date is fixed, unless notice of the record date is waived in writing by every holder of a share of the class or series affected whose name is set out in the securities register at the close of business on the day the directors fix the record date, notice of the record date shall be given within the prescribed period and in the manner set out in the Act.

10.09 MEETINGS WITHOUT NOTICE

A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or waive notice of or otherwise consent to such meeting being held; so long as such shareholders, auditors or directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.10 CHAIRMAN, SECRETARY AND SCRUTINEERS

The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: chairman of the board, president, managing director, or a vice-president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be a shareholder, may be appointed by a resolution or by the chairman with the consent of the meeting.

10.11 PERSONS ENTITLED TO BE PRESENT

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditor of the Corporation and others who, although not entitled to vote are entitled or required under any provision of the Act or the articles or by laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

10.12 QUORUM

A quorum for the transaction of business at any meeting of shareholders shall be at least one person present in person, being a shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent shareholder so entitled and representing in the aggregate not less than 10% of the outstanding shares of the Corporation carrying voting rights at the meeting. If a quorum is present at the opening of any meeting of shareholders, the shareholder(s) present or represented may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of any meeting of shareholders, the shareholder(s) present or represented may adjourn the meeting to a fixed time and place but may not transact any other business.

10.13 RIGHT TO VOTE

Subject to the provisions of the Act as to authorized representatives of any other body corporate or association, at any meeting of shareholders for which the Corporation has prepared the list referred to in section 10.07, every person who is named in such list shall be entitled to vote the shares shown opposite his name at the meeting to which the list relates.

10.14 PROXIES

Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney and shall conform with the requirements of the Act. A proxy is valid only at the meeting in respect of which it is given or any adjournment thereof.

10.15 TIME FOR DEPOSIT OF PROXIES

The board may specify in a notice calling a meeting of shareholders a time, not exceeding 48 hours excluding Saturdays and holidays, preceding the meeting or an adjournment thereof, before which time proxies to be used at such meeting must be deposited with the Corporation or its agent. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, unless it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

10.16 JOINT SHAREHOLDERS

If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.

10.17 VOTES TO GOVERN

At any meeting of shareholders every question shall, unless otherwise required by the articles or by laws or by law, be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

10.18 SHOW OF HANDS

Subject to the provisions of the Act any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried, an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

10.19 BALLOTS

On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.20 ELECTRONIC VOTING

Despite section 10.18, any vote referred to in such section may be held in accordance with the regulations, if any, entirely by means of a telephonic, electronic or other communication facility, if the Corporation makes available such a communication facility.

Any person participating in a meeting of shareholders under sections 10.04 or 10.05 and entitled to vote at that meeting may vote, in accordance with the regulations, if any, by means of the telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

10.21 ADJOURNMENT

If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. Subject to the Act, if a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.22 RESOLUTION IN WRITING

A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditors in accordance with the Act.

10.23 ONLY ONE SHAREHOLDER

Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

SECTION ELEVEN

DIVISIONS AND DEPARTMENTS

11.01 CREATION AND CONSOLIDATION OF DIVISIONS

The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such division to be further divided into sub units and the business and operations of any such divisions or sub units to be consolidated upon such basis as the board may consider appropriate in each case.

11.02 NAME OF DIVISION

Any division or its sub units may be designated by such name as the board may from time to time determine and may transact business under such name, provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation.

11.03 OFFICERS OF DIVISIONS

From time to time the board or, if authorized by the board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or, if authorized by the board, the chief executive officer, may remove at its or his pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub units shall not, as such, be officers of the Corporation.

SECTION TWELVE

NOTICES

12.01 METHOD OF GIVING NOTICES

Any notice, document or other information (which term includes any communication or documents) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him pursuant to Section 13 hereof. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent pursuant to Section 13 hereof shall be deemed to have been given when it is sent or otherwise forwarded via the relevant information system. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

12.02 NOTICE TO JOINT SHAREHOLDERS

If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

12.03 COMPUTATION OF TIME

In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall also be excluded.

12.04 UNDELIVERED NOTICES

If any notice given to a shareholder pursuant to section 12.01 is returned on two consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.

12.05 OMISSIONS AND ERRORS

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

12.06 PERSONS ENTITLED BY DEATH OR OPERATION OF LAW

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

12.07 WAIVER OF NOTICE

Any shareholder (or his duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations, the articles, the by-laws or otherwise and such waiver or abridgment, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgment shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board which may be given in any manner.

SECTION THIRTEEN

DOCUMENTS IN ELECTRONIC OR OTHER FORM

13.01 CREATION AND PROVISION OF INFORMATION

Subject to the Act and the regulations, a notice, document or other information may be created or provided in the form of an electronic document and such electronic document may be generated, sent, received, stored or otherwise processed by means of an information system.

SECTION FOURTEEN

EFFECTIVE DATE

14.01 EFFECTIVE DATE

This by law shall come into force when made by the board in accordance with the Act.

MADE AND ADOPTED by the board of directors the ________ day of _______________, 2011.

____
President

CONFIRMED by the shareholders in accordance with the Act the _____ day of ________, 2011.

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____
President