

CLUNY CAPITAL CORP.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MARCH 31, 2021
AND
MANAGEMENT INFORMATION CIRCULAR

CLUNY CAPITAL CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of Cluny Capital Corp. (the “**Corporation**”) will be held by electronic means on Wednesday, the 31st day of March, 2021, at the hour of 10:00 a.m. (EDT) for the following purposes:

1. to receive the audited financial statements of the Corporation for the years ended December 31, 2019, 2018 and 2017, together with the auditor’s reports thereon, and the financial statements of the Corporation for the three and nine months ended September 30, 2020 and 2019;
2. to elect directors of the Corporation;
3. to consider, and if thought appropriate, to pass, with or without variation, a special resolution (the text of which is disclosed in Section 9(iii) of the Information Circular) approving the continuation of the Corporation under the *Canada Business Corporations Act*, as more particularly described in the Information Circular;
4. to consider, and if thought appropriate, to pass, with or without variation, a special resolution (the text of which is disclosed in Section 9(iv) of the Information Circular) approving the consolidation of the issued and outstanding common shares of the Corporation on the basis of one (1) post-consolidation common share for each three (3) pre-consolidation common shares, as more particularly described in the Information Circular;
5. to consider, and if thought appropriate, to pass, with or without variation, a special resolution (the text of which is disclosed in Section 9(v) of the Information Circular) approving changing the name of the Corporation to “The Good Shroom Co Inc.” (*Les bons Champignons inc*), or such other name as the board of directors of the Corporation may determine, as more particularly described in the Information Circular;
6. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution of disinterested shareholders (the text of which is disclosed in Section 9(vi) of the Information Circular) approving certain amendments to the Corporation’s CPC escrow agreements in accordance with recent changes to TSX Venture Exchange Policy 2.4 – Capital Pool Companies;
7. appoint auditors of the Corporation for the ensuing year and authorize the directors to fix their remuneration;
8. to consider, and if thought appropriate, to pass, with or without variation, an ordinary resolution (the text of which is disclosed in Section 9(viii) of the Information Circular) approving the Option Plan (as such term is defined in the Information Circular) as the stock option plan of the Corporation, as more particularly described in the Information Circular; and
9. to transact such further or other business as may properly come before the said meeting or any adjournment or adjournments thereof.

A copy of the Information Circular, a form of proxy, and a return envelope accompany this Notice of Meeting. A copy of the audited financial statements of the Corporation for the years ended December 31, 2019, 2018 and 2017, together with the auditor’s reports thereon, and the financial statements of the Corporation for the three and nine months ended September 30, 2020 and 2019, and accompanying management discussion and analysis, will be available for review at the Meeting and are available to the public on the SEDAR website at www.sedar.com.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is March 1, 2021 (the “**Record Date**”). Shareholders of the Corporation whose names have been entered on the register of shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

A Shareholder may participate in the Meeting via Zoom or may be represented by proxy.

In order to register and participate in the Meeting via Zoom, please go to <https://zoom.us/j/94227172674>.

Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be submitted by (i) mail with TSX Trust Company, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, (ii) by facsimile at (416) 595-9593, or (iii) online by entering the 12 digit control number at www.voteproxyonline.com, not later than forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof.

The instrument appointing a proxy must be in writing and must be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

DATED this 1st day of March, 2021.

BY ORDER OF THE BOARD

(signed) “**Michael Frank**”
Chief Executive Officer

INFORMATION CIRCULAR
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF
CLUNY CAPITAL CORP.

(this information is given as of March 1, 2021)

1. SOLICITATION OF PROXIES

This Information Circular is provided in connection with the solicitation of proxies by the management of Cluny Capital Corp. (the “Corporation”) for use at the Annual and Special Meeting of the Shareholders of the Corporation (the “Meeting”), to be held on March 31, 2021, at the place and time and for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders (the “Notice of Meeting”) and at any adjournment thereof. This solicitation is being made primarily by mail, but proxies may also be solicited by directors, officers or employees of the Corporation. The cost of the solicitation of proxies will be borne by the Corporation.

2. APPOINTMENT OF PROXYHOLDERS

The persons named in the enclosed form of proxy are directors and officers of the Corporation. **A shareholder has the right to appoint a person other than the persons named in the enclosed forms of proxy to attend and vote for him or her at the Meeting.** In order to do so, the shareholder may cross out the names printed in these forms of proxy and insert such person’s name in the blank space provided thereon or complete another form of proxy. In either case, the duly completed forms of proxy must be delivered to the Corporation, c/o TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof. It is not necessary to be a shareholder in order to act as a proxy.

3. REVOCATION OF PROXIES

A shareholder may revoke his proxy at any time, relating to any question for which the voting right granted by the proxy has not yet been exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Such revocation must be deposited with the Corporation, c/o TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at any time up to an including the day preceding the day of the Meeting or in any other manner permitted by law.

4. EXERCISE OF PROXY

The voting rights attached to the common shares in the capital of the Corporation (the “Common Shares”) represented by proxies will be voted or withheld from voting in accordance with the instructions indicated therein. **If no instructions are given, the voting rights attached to said Common Shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOR of all the matters described therein.**

The enclosed form of proxy confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no such amendments or other matters to come before the Meeting.

5. NON-REGISTERED HOLDERS

Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their Common Shares in their own name (the “Non-Registered Shareholders”) are advised that only proxies from shareholders of record can be recognized and voted at the Meeting.

Most shareholders are Non-Registered Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as The CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

There are two kinds of Non-Registered Shareholders – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called “**NOBOs**” for Non-Objecting Beneficial Owners).

The Notice of Meeting, this Information Circular and the instrument of proxy or a voting instruction form and the request form (collectively, the “**Meeting Materials**”) are being sent to both registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Non-Objecting Beneficial Owners

If you are a NOBO, the Corporation is sending the Meeting Materials to you directly. Please complete the voting instruction form and carefully follow the instructions therein for return of the executed form or other method of response. If you wish to vote in person at the Meeting (or to have another person attend and vote on your behalf), you must insert your own name (or such other person’s name) in the space provided for the appointment of a proxyholder on the voting instruction form and carefully follow the instructions therein for return of the executed form or other method of response.

Objecting Beneficial Owners

In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for distribution to OBOs.

Intermediaries are required to forward the Meeting Materials to OBOs unless an OBO has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to OBOs.

OBOs are not permitted to vote at the Meeting. Generally, OBOs who have not waived the right to receive Meeting Materials will either:

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the OBO and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of a one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (ii) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the OBO but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the OBO when submitting the proxy. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Corporation, c/o TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1.**

In either case, the purpose of these procedures is to permit OBOs to direct the voting of the Common Shares they beneficially own. Should an OBO who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the OBO), the OBO should strike out the persons named in the instrument of proxy and insert the OBO or such other person’s name in the blank space provided. **In either case, OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the Instrument of Proxy or voting instruction form is to be delivered.**

An OBO may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven (7) days prior to the Meeting.

Unless otherwise indicated in this Information Circular and in the form of proxy and Notice of Meeting attached hereto, shareholders shall mean registered shareholders.

6. VOTING SECURITIES AND PRINCIPAL HOLDERS

As at the date hereof, the Corporation had 14,692,235 Common Shares outstanding, representing the Corporation's only securities with respect to which a voting right may be exercised at the Meeting. Each Common Share carries the right to one vote at the Meeting. A quorum for the transaction of business at the Meeting is two shareholders, or one or more proxyholders representing two shareholders, or one shareholder and a proxyholder representing another shareholder, holding or representing not less than ten percent (10%) of the issued and outstanding Common Shares enjoying voting rights at the Meeting.

The record date to determine the shareholders' eligibility to receive the Notice of Meeting and vote at the Meeting was fixed at March 1, 2021 (the "**Record Date**").

To the knowledge of the directors and senior officers of the Corporation as at the date hereof, based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR), no person or corporation beneficially owned, directly or indirectly, or exercised control or discretion over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

7. QUALIFYING TRANSACTION

The Corporation has entered into a definitive amalgamation agreement (the "**Definitive Agreement**") dated November 3, 2020 with Teonan Biomedical Inc. ("**Teonan**") which outlines the terms and conditions pursuant to which the Corporation and Teonan (each a "**Party**" and together, the "**Parties**") will complete a transaction that will result in a reverse-takeover of the Corporation by the shareholders of Teonan (the "**Transaction**").

Teonan is a privately held arm's length company incorporated under the laws of the *Canada Business Corporations Act* (the "**CBCA**") on October 30, 2014 with its headquarters in the Province of Quebec. Teonan produces instant wellness beverages under its two brands, Teonan and Velada.

The Transaction will result in the following:

- (a) the Corporation will complete the Continuation, as more particularly described in Section 9(iii) herein;
- (b) the Corporation will complete the Consolidation, as more particularly described in Section 9(iv) herein;
- (c) the Corporation will change its name to "The Good Shroom Co Inc." (*Les bons Champignons inc*) or such other name as determined by Teonan, as more particularly described in Section 9(v) herein; and
- (d) the Corporation will acquire all of the issued and outstanding shares of Teonan by way of a "three-cornered" amalgamation in which a wholly-owned subsidiary of the Corporation, which the Corporation shall have incorporated under the CBCA, will amalgamate with Teonan (the "**Amalgamation**"), and the shareholders of Teonan shall receive Common Shares (on a post-Consolidation basis) for the shares of Teonan held.

If completed, the Transaction is intended to constitute the "Qualifying Transaction" of the Corporation under Policy 2.4 – *Capital Pool Companies* (the "**CPC Policy**") of the TSX Venture Exchange (the "**TSXV**"). The Corporation (the Corporation after the Transaction being referred to herein as the "**Resulting Issuer**") will continue to carry on the business of Teonan and is anticipated to be listed on the TSXV.

Full details regarding Teonan and the Transaction will be disclosed by the Corporation in a filing statement (the "**Filing Statement**") to be prepared and filed in accordance with the CPC Policy and securities legislation. The Filing Statement will be posted on SEDAR at www.sedar.com prior to completion of the Transaction. Management of the Corporation will endeavor to post the Filing Statement on SEDAR as quickly as possible; however, the posting thereof may not occur until on or about the date of the Meeting or thereafter. Shareholders are urged to review the press release issued by the Corporation on November 30, 2020 announcing the proposed Transaction and the Definitive Agreement which has been posted on SEDAR at www.sedar.com, both of which contain important disclosure regarding the Resulting Issuer and the Transaction. In addition, in the event it is posted on SEDAR prior to March 31, 2021, shareholders can also review the Filing Statement of the Corporation.

Completion of the Transaction is subject to a number of conditions including, but not limited to: receipt of requisite regulatory approvals, including acceptance by the TSXV of the Transaction as the Corporation's Qualifying Transaction; the receipt of

requisite approvals from the directors and shareholders of the Corporation; and such other actions as may be necessary to complete the Transaction, including as provided for in the Definitive Agreement.

The information contained or referred to in this Information Circular relating to Teonan has been furnished by Teonan. Although the Corporation has no knowledge that would indicate that any statement contained herein concerning Teonan is untrue or incomplete, neither the Corporation nor any of its directors or officers, respectively, assumes any responsibility for the accuracy or completeness of such information.

SHAREHOLDERS ARE NOT REQUIRED TO APPROVE THE TRANSACTION. However, the Transaction is very important to the Corporation and certain matters to be considered at the Meeting are necessary in order to prepare the Corporation to complete the Transaction. Certain of the resolutions sought to be passed by the shareholders at the Meeting will be conditions to the completion of the Transaction. Failure to pass these resolutions could impede or prevent the completion of the Transaction.

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

Except as described elsewhere in this Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the Corporation, (b) any proposed nominee for election as a director of the Corporation, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

9. BUSINESS OF THE MEETING

To the knowledge of the directors of the Corporation, the only matters to be brought before the Meeting are those set forth in the accompanying Notice of Meeting.

(i) Financial Statements

Pursuant to the *Business Corporations Act* (Ontario) (the “**OBCA**”), the directors of the Corporation will place before the shareholders at the Meeting the audited financial statements of the Corporation for the years ended December 31, 2019, 2018 and 2017, together with the reports of the auditors thereon, and the financial statements of the Corporation for the three and nine months ended September 30, 2020 and 2019. Shareholder approval is not required in relation to the financial statements.

(ii) Election of Directors

At the Meeting, shareholders are required to elect the directors of the Corporation to hold office until the next annual meeting of shareholders or until their successors are elected or appointed. In connection with the Transaction, it is desirable to:

- (A) elect the directors of the Corporation to serve from the close of the Meeting (the “**Current Board**”) until the earlier of (i) the close of the next annual meeting of shareholders or until their successors are elected or appointed, and (ii) the effective time of completion of the Transaction (the “**Change of Board Time**”); and
- (B) to elect the directors of the Corporation to serve from the Change of Board Time until the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed (the “**Resulting Issuer Board**”).

The Articles of Incorporation of the Corporation provide for a minimum of three (3) and a maximum of ten (10) directors. The board of directors presently consists of three (3) members. At the Meeting, the management of the Corporation proposes to elect three (3) directors for the Current Board.

Following the completion of the Transaction, the Resulting Issuer Board will be increased to five (5) board members to be named as set out in the draft resolution below.

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

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

“BE IT HEREBY RESOLVED that:

- (a) (i) the number of directors be set at three (3) and (ii) the election of each of Michael Frank, James Greig and Jaimie Grossman as directors of the Corporation to hold office until the earlier of (A) the close of the next

annual meeting of shareholders of the Corporation or until their successors are elected or appointed, and (B) the Change of Board Time (as such term is defined in the Management Information Circular of the Corporation dated March 1, 2021); and

- (b) immediately following the Change of Board Time (i) the number of directors of the Corporation be increased to five (5), and (ii) the board of directors of the Corporation shall be comprised of Eric Ronsse, Stephanus Rossouw, Frank Aton, Claude Dufresne and Steve Saviuk, to hold office until the close of the next annual meeting of shareholders of the Corporation or until their successors are elected or appointed.

The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the Director Resolution. The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying Instrument of Proxy will be voted FOR another nominee in their discretion unless the shareholder has specified in his or her form of proxy that his or her Common Shares are to be withheld from voting in the election of directors.

Current Board Nominees

Name, Residence and Position with Corporation	Principal Occupation, Business or Employment ⁽¹⁾	Served as Director Since	Number of Common Shares over which Control or Direction is Exercised ⁽¹⁾
Michael Frank ⁽²⁾ Thornhill, Ontario CEO, CFO and Director	Chief Executive Officer of Revive Therapeutics Ltd. ⁽³⁾	May 23, 2018	420,000 ⁽⁶⁾
James Greig ⁽²⁾ Vancouver, British Columbia Director	President of Benchmark Metals Inc. ⁽⁴⁾	May 23, 2018	457,790 ⁽⁷⁾
Jaimie Grossman ⁽²⁾ Toronto, Ontario Director	Chairman and Co-Founder of Jiffy on Demand ⁽⁵⁾	May 23, 2018	357,790 ⁽⁸⁾

Notes:

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee.
- (3) Mr. Frank, who has not previously been elected to the present term of office by a vote of securityholders at a meeting, has had the following principal occupations, businesses or employment within the five preceding years: Chief Executive Officer of Revive Therapeutics Ltd. from December 2019 to present; Chief Strategy Officer of Datametrex AI Limited from January 2018 to November 2019; and President of Mifran Consulting from May 1999.
- (4) Mr. Greig, who has not previously been elected to the present term of office by a vote of securityholders at a meeting, has had the following principal occupations, businesses or employment within the five preceding years: Chief Executive Officer of Benchmark Metals Inc. from February 2013 to March 2018; Chief Financial Officer of Crest Petroleum Corp. from September 2014 to April 2015; and a director of several reporting issuers.
- (5) Mr. Grossman, who has not previously been elected to the present term of office by a vote of securityholders at a meeting, has had the following principal occupations, businesses or employment within the five preceding years: Chairman of Jiffy on Demand from February 2013 to present; Chief Executive Officer of Jiffy on Demand from April 2015 to December 2017.
- (6) Mr. Frank control and directs 100,000 Common Shares. Mr. Frank also controls and directs 160,000 subscription receipts which, upon completion of the Transaction, will entitle him to 160,000 Common Shares and warrants exercisable for 160,000 Common Shares.
- (7) Mr. Greig controls and directs 200,000 Common Shares (and stock options exercisable for 257,790 Common Shares)
- (8) Mr. Grossman controls and directs 100,000 Common Shares (and stock options exercisable for 257,790 Common Shares)

Corporate Cease Trade Orders or Bankruptcies

None of the Current Board is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above, “order” means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

None of the Current Board is, as at the date hereof, or has been, within the previous 10 years, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person

ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of the Current Board has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Personal Bankruptcies

None of the Current Board has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Resulting Issuer Board Nominees

Name and Residence	Principal Occupation, Business or Employment during the last Five Years	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽¹⁾
Eric Ronsse <i>Kirkland, Quebec</i>	Chief Executive Officer and Co-Founder of Teonan	Nil
Stephanus Rossouw <i>Ile Perot, Quebec</i>	Chief Marketing Officer and Co-Founder of Teonan	Nil
Frank Aton <i>Paris, France</i>	Vice President, Human Resources of Merck&Co	Nil
Claude Dufresne <i>Mont-Tremblant, Quebec</i>	President and CEO of NioBay Metals	Nil
Steve Saviuk <i>Beaconsfield, Quebec</i>	Chief Executive Officer of Valeo Pharma Inc.	200,000 ⁽²⁾

Notes:

- (1) The information as to principal occupation, business or employment and shares beneficially owned or controlled is not within the knowledge of management of the Corporation and has been furnished by the respective individuals. Information concerning shares of the Resulting Issuer to be beneficially owned or controlled, directly or indirectly, on completion of the Transaction, will be set out in the Filing Statement.
- (2) Manitex Capital Inc., a company indirectly controlled by Mr. Saviuk, controls and directs 100,000 subscription receipts which, upon completion of the Transaction, will entitle him to 100,000 Common Shares and warrants exercisable for 100,000 Common Shares.

Corporate Cease Trade Orders or Bankruptcies

Except as set out below, none of the Resulting Issuer Board is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

For the purposes of the above, “order” means (a) a cease trade order; (b) an order similar to a cease trade order; or (c) an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

Mr. Claude Dufresne was a director of Canadian Metals Inc. (“**CDN Metals**”) from February 12, 2016 to September 15, 2016. CDN Metals applied for a Management Cease Trade Order (“**MCTO**”) under National Policy 12-203 - *Management Cease Trade Orders* following receipt of a correspondence from the Autorité des Marchés Financiers stating that a technical report filed by CDN Metals on SEDAR on June 20, 2016 did not comply with the requirements of National Instrument 43-101 - *Standards of Disclosure of Mineral Projects*. CDN Metals filed an amended technical report on October 4, 2016 which ended the MCTO.

Mr. Steve Saviuk was a Director and the Chief Financial Officer of Cabia Goldhills Inc. until October 28, 2015. On April 5, 2013, a cease trade order, which is still in effect, was issued by the Autorité des Marchés Financiers against Cabia Goldhills Inc. for failing to file its annual financial statements within the required time period.

None of the Resulting Issuer Board is, as at the date hereof, or has been, within the previous 10 years, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

None of the Resulting Issuer Board has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Personal Bankruptcies

None of the Resulting Issuer Board has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

(iii) Continuation of the Corporation under the CBCA

As a condition to completion of the Transaction, the Corporation is required to continue from the laws of Ontario under the *Business Corporations Act* (Ontario) (the “**OBCA**”) to the laws of Canada under the CBCA, and the Corporation is therefore seeking the approval and authorization of its shareholders to continue under the CBCA (the “**Continuation**”).

In connection with the Continuation, the Corporation will adopt articles of continuance (the “**Articles of Continuance**”) and by-laws under the CBCA substantially as attached hereto in Appendix “A”.

The text of the special resolution (the “**Continuation Resolution**”) that would give effect to the Continuation is set out below:

“BE IT HEREBY RESOLVED that as a special resolution pursuant to Section 181 of the *Business Corporations Act* (Ontario) (the “**OBCA**”) that:

- (1) subject to and conditional on completion of the Transaction, the Corporation is hereby authorized to make an application for a Certificate of Continuance continuing the Corporation under the *Canada Business Corporations Act* (the “**CBCA**”) as if it had been incorporated under the laws of Canada;
- (2) the Corporation is hereby authorized to make an application to the Director appointed under the OBCA for the Director’s authorization to permit such continuation;
- (3) the Corporation is hereby authorized, pursuant to Section 181 of the OBCA and Section 187 of the CBCA, to adopt Articles of Continuance and by-laws in the form attached as Appendix “A” to the Management Information Circular of the Corporation dated March 1, 2021, in substitution for its existing Articles of Incorporation and by-laws, to be effective upon the issuance of a Certificate of Continuance by the Director under the CBCA;
- (4) the directors of the Corporation may revoke this special resolution without further approval of the shareholders of the Corporation at any time prior to the issuance of a Certificate of Continuance by the Director under the CBCA; and
- (5) any officer or director of the Corporation is hereby authorized and directed to take all such acts and proceedings and to execute and deliver all such applications, authorizations, certificates, documents, and instruments, including, without limitation, the Articles of Continuance, by-laws and any forms prescribed by the CBCA or the OBCA, as in such director or officer’s opinion may be necessary or desirable for the implementation of this resolution.

To be effective, the foregoing resolution authorizing the Continuation must be passed by two-thirds (2/3) of the votes cast by shareholders present in person or represented by proxy at the Meeting. The directors of the Corporation recommend that shareholders vote to approve the Continuation Resolution as it is a condition for the completion of the proposed Transaction. **The persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies in favour of the Continuation Resolution.**

Dissent Rights

Pursuant to Section 185 of the OBCA, registered shareholders are entitled to exercise their rights to dissent (the “**Dissent Rights**”) in respect of the Continuation by providing a written objection to the Continuation to the Corporation, c/o the Corporation’s legal counsel, DLA Piper (Canada) LLP, 1 First Canadian Place, Suite 6000, 100 King Street West, PO Box 367, Toronto, Ontario, M5X1E2, Attention: Robbie Grossman, by 5:00 p.m. on March 30, 2021 or the Business Day immediately preceding the date of any adjournment of the Meeting to be effective.

In the event the Continuation becomes effective, a shareholder who properly dissents will be entitled to be paid the fair value of the Common Shares in respect of which such holder dissents in accordance with Section 185 of the OBCA. A shareholder who votes in favour of the Continuation shall not be entitled to dissent. A shareholder may dissent only with respect to all of the Common Shares held by such Shareholder. See Appendix “B” for a copy of the provisions of Section 185 of the OBCA.

Failure to strictly comply with the requirements set forth in Section 185 of the OBCA may result in the loss of any right of dissent. Non-Registered Shareholders who wish to dissent should be aware that only the registered holders of such Common Shares are entitled to dissent. Accordingly, a Non-Registered Shareholder of Common Shares desiring to exercise this right must make arrangements for the Common Shares beneficially owned by such individual to be registered in his or her name prior to the time the written objection to the Continuation Resolution is required to be received by or, alternatively, make arrangements for the registered holder of his or her Common Shares to dissent on his or her behalf. It is strongly suggested that any shareholders wishing to dissent seek independent legal advice, as the failure to comply strictly with the provisions of the OBCA may prejudice such shareholder’s Dissent Rights.

Comparison of Rights under the OBCA and the CBCA

The provisions of the OBCA dealing with shareholder rights and protections are generally comparable to those contained in the CBCA. Shareholders of the Corporation will not lose any significant rights or protection as a result of the Continuation.

The following is a summary comparison of the provisions of the OBCA and the CBCA which pertain to the rights of shareholders. This summary is not intended to be exhaustive and shareholders should consult their legal advisors regarding all of the implications of the Continuation.

Board of Directors

Under the OBCA, at least one-third of the members of the board of directors cannot be officers or employees of a corporation or its affiliates. Under the CBCA, the requirement is that at least two of the directors of a corporation not be officers or employees of a corporation or its affiliates.

While both statutes require at least 25% of the directors are resident Canadians, the CBCA requires that a minimum of 25% of the directors at each board meeting be resident Canadians, whereas the OBCA has no such minimum requirement for board meetings.

Quorum - Directors’ Meetings

Both the OBCA and the CBCA state that quorum of directors meetings consists of a majority of directors or the minimum number of directors required by the articles.

Place of Shareholders’ Meetings

Under the OBCA, a shareholders’ meeting may be held in or outside Ontario (including outside Canada) as the directors determine or, in the absence of such a determination, at the place where the registered office of a corporation is located. Under the CBCA, a shareholders’ meeting may be held any place in Canada provided in the by-laws or, in the absence of such provision, at a place in Canada that the directors determine. Notwithstanding the foregoing, a meeting of shareholders of a CBCA corporation may be held at a place outside Canada if such place is specified in the articles or all the shareholders entitled to vote at the meeting agree that the meeting is to be held at that place.

Notice of Shareholders’ Meetings

Under the OBCA, a public corporation must give notice not less than 21 days and not more than 50 days before the meeting. Under the CBCA, the notice of shareholders’ meetings must be provided not less than 21 days and not more than 60 days before the meeting. Public companies are also subject to the requirements of National Instrument 54-101– *Proxy Solicitation* of the

Canadian Securities Administrators which provides for minimum notice periods of greater than the minimum 21 day period in either statute.

Shareholder Proposals

Under the OBCA, a shareholder entitled to vote at a meeting of shareholders may submit a notice of a proposal to the corporation and discuss at the meeting any matter in respect of which the shareholder would have been entitled to submit a proposal. Under the CBCA, shareholder proposals may be submitted by both registered and beneficial owners of shares entitled to be voted at an annual meeting of shareholders, provided that (a) the shareholder was a registered or beneficial owner, for at least six months prior to the submission of the proposal, of voting shares at least equal to 1% of the total number of outstanding voting shares of the company or whose fair market value is at least \$2,000; or (b) the proposal must have the support of persons who in the aggregate have owned, of record or beneficially, at least 1% of the total number of outstanding voting shares of the company or voting shares whose fair market value is at least \$2,000, for at least six months prior to the submission of the proposal.

Solicitation of Proxies

Under the OBCA, a person who solicits proxies, other than by or on behalf of management of the company, must send a dissident information circular in prescribed form to each shareholder whose proxy is solicited and to certain other recipients, subject to certain exceptions, including where the total number of shareholders whose proxies are solicited is 15 or fewer or where the solicitation is conveyed by public broadcast in certain prescribed circumstances. Under the CBCA, proxies may be solicited other than by or on behalf of management of the company without the sending of a dissident's proxy circular if: (a) proxies are solicited from 15 or fewer shareholders; or (b) the solicitation is conveyed by public broadcast, speech or publication containing certain of the information that would be required to be included in a dissident's proxy circular. Furthermore, under the CBCA, the definition of "solicit" and "solicitation" specifically excludes communications for the purpose of obtaining the number of shares required for a shareholder proposal.

Telephonic or Electronic Meetings

Under the OBCA, unless the articles or by-laws state otherwise, meetings of shareholders may be held entirely by telephonic or electronic means and shareholders may participate in and vote at the meeting by such means. Under the CBCA, unless the articles or by-laws state otherwise, meetings of shareholders may be held by telephonic or electronic means and shareholders may participate in and vote at the meeting by such means. The CBCA also requires a corporation to provide shareholders with a means of communication that permits all participants to communicate adequately with each other during the meeting.

Registered Office

Under the OBCA, the registered office must be in Ontario and may be relocated to a different municipality with shareholder approval by special resolution. Under the CBCA, the registered office must be in the Canadian province specified in the articles and may be relocated within that province by directors' approval.

Corporate Records

The OBCA and related Ontario statutes require records to be kept at a corporation's registered office or such other place in Ontario designated by the directors. The CBCA permits corporate and accounting records to be kept outside of Canada, subject to requirements to keep them within Canada under the Tax Act and other statutes administered by the Minister of National Revenue (such as the Excise Tax Act). Companies are also required to provide access to records kept outside Canada at a location in Canada, by computer terminal or other technology.

Short Selling

Under the CBCA, insiders of a corporation are prohibited from short selling any securities of a corporation if the insider selling the security does not own or has not fully paid for the security being sold. The OBCA contains no such prohibition.

Notice of a Derivative Action

Under the OBCA, a complainant is not required to give notice to the directors of a corporation of the complainant's intention to make an application to the court to bring a derivative action if all of the directors of a corporation or its subsidiaries are defendants in the action. Under the CBCA, a condition precedent to a complainant bringing a derivative action is that the complainant has given at least 14 days' notice to the directors of a corporation of the complainant's intention to make an application to the court to bring such a derivative action.

Oppression Remedy

The OBCA allows a court to grant relief where a prejudicial effect to a shareholder is merely threatened. The CBCA allows a court to grant relief where a prejudicial effect to a shareholder actually exists (that is, it must be more than merely threatened)

(iv) Consolidation

As a condition to completion of the Transaction, the Corporation is also required to (i) consolidate all issued and outstanding Common Shares on a 1 for 3 basis resulting in an aggregate of 4,897,412 (subject to rounding) Common Shares outstanding post-consolidation (the “**Consolidation**”). Excluding the impact of the Transaction, the Consolidation will not materially affect any shareholders’ percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of shares. Instead, a share consolidation will reduce the number of Common Shares held by shareholders proportionately.

Approval of the Consolidation by shareholders would give the board of directors authority to implement the Consolidation. In addition, notwithstanding approval of the proposed Consolidation by shareholders, the board of directors, in its sole discretion, may revoke the Consolidation Resolution (as defined below), and abandon the Consolidation without further approval or action by or prior notice to shareholders. It is a condition of the Transaction that the Consolidation be implemented on or prior to completion of the Transaction. In the event that the Transaction is not completed, the Corporation does not anticipate completing the Consolidation.

No fractional post-Consolidation Common Shares will be issued and no cash will be paid in lieu of fractional post-Consolidation Common Shares. Any fractional interest in Common Shares resulting from the Consolidation that is less than one-half of a Common Share will be canceled and any fractional interest in Common Shares that is at least one-half will be rounded up to the nearest whole Common Share. The Company currently has an unlimited number of Common Shares available for issuance and the Consolidation will not have any effect on the number of Common Shares that remain available for future issuance. The exercise or conversion price and the number of Common Shares issuable under any convertible securities of the Company, including incentive stock options will be proportionately adjusted if the Consolidation is approved by shareholders at the Meeting and put into effect. Notwithstanding the foregoing, the subscription receipts issued by the Corporation on February 10, 2021 in connection with its concurrent financing pursuant to the Transaction will not be affected by the Consolidation.

The Consolidation is also subject to receipt of all required regulatory approvals, including approval from the TSXV. If these approvals are received, the Consolidation will be effected at a time determined by the board of directors. In order to effect the Consolidation, the Corporation will file articles of amendment in the prescribed form to amend its articles (the “**Articles of Amendment**”). Such Articles of Amendment shall only be filed upon the board of directors deciding, in its sole discretion, to proceed with the Consolidation. The Consolidation will become effective on the date shown in the certificate of amendment issued by the relevant governmental authority.

The text of the special resolution (the “**Consolidation Resolution**”) that would give effect to the Consolidation is set out below:

“**BE IT HEREBY RESOLVED** that as a special resolution that:

- (1) subject to and conditional on completion of the Transaction, the Corporation be and it is hereby authorized to consolidate all of its issued Common Shares without par value on the basis of one (1) post-consolidation Common Share for every three (3) pre-Consolidation Common Shares;
- (2) if as a result of the Consolidation, a holder of Common Shares would otherwise be entitled to a fraction of a Common Share, any fraction, if it is less than one-half of a Common Share, shall be canceled, and if it is at least one-half of a Common Share, shall be rounded up to one whole Common Share;
- (3) any director or officer of the Corporation be and is hereby authorized and directed on behalf of the Corporation to sign and deliver all documents and to do all things necessary and advisable in connection with the foregoing and to determine the timing thereof, including, without limitation, filing articles of amendment in the prescribed form;
- (4) notwithstanding the approval of the proposal to consolidate the issued and outstanding share capital of the Corporation, the board of directors of the Corporation be and they are hereby authorized without further approval of the shareholders to revoke the resolution consolidating the issued and outstanding share capital of the Corporation before it is acted upon if the board of directors deem it would be in the best interests of the Corporation; and

- (5) notwithstanding the approval of the proposal to consolidate the issued and outstanding share capital of the Corporation, the board of directors of the Corporation be and they are hereby authorized without further approval of the shareholders to modify, vary or amend such terms and conditions in respect of the Consolidation as may be required by the regulatory authorities having jurisdiction or as the board of directors may in its sole discretion deem in the best interests of the Corporation, and the board of directors are further authorized to abandon such transactions and matters, in whole or in part.”

To be effective, the foregoing resolution authorizing the Consolidation must be passed by two-thirds (2/3) of the votes cast by shareholders present in person or represented by proxy at the Meeting. The directors of the Corporation recommend that shareholders vote to approve the Consolidation Resolution as it is a condition for the completion of the proposed Transaction. **The persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies in favour of the Consolidation Resolution.**

(v) Name Change

As a condition to completion of the Transaction, the Corporation is also required to change its name to “The Good Shroom Co Inc.” (*Les bons Champignons inc*), or such other name as the board of directors, in its sole discretion, deems appropriate (the “Name Change”).

The Name Change is also subject to receipt of all required regulatory approvals, including approval from the TSXV. If these approvals are received, the Name Change will be effected at a time determined by the board of directors. In order to effect the Name Change, the Corporation will file articles of Amendment to amend its articles. Such Articles of Amendment shall only be filed upon the board deciding, in its sole discretion, to proceed with the Name Change. It is a condition of the Transaction that the Name Change be implemented on or prior to completion of the Transaction. In the event that the Transaction is not completed, the Corporation does not anticipate completing the Name Change. The Name Change will become effective on the date shown in the certificate of amendment issued by the relevant governmental authority.

The text of the special resolution (the “Name Change Resolution”) that would give effect to the Name Change is set out below:

“BE IT HEREBY RESOLVED that as a special resolution that:

- (1) subject to and conditional on completion of the Transaction, the change of name of the Corporation to “The Good Shroom Co Inc.” (*Les bons Champignons inc*) or such other name as the directors of the Corporation may deem appropriate is hereby approved;
- (2) any one or more directors are hereby authorized to prepare, execute and file articles of amendment in the prescribed form in order to give effect to this special resolution, and to execute and deliver all such other deeds, documents and other writings and perform such other acts as may be necessary or desirable to give effect to this special resolution; and
- (3) notwithstanding approval of the shareholders of the Corporation as herein provided, the directors of the Corporation may, in its sole discretion, abandon the name change and any or all of the actions authorized by this special resolution at any time prior to completion thereof in the sole discretion of the directors of the Corporation without further approval of the shareholders.

To be effective, the foregoing resolution authorizing the Name Change must be passed by two-thirds (2/3) of the votes cast by shareholders present in person or represented by proxy at the Meeting. The directors of the Corporation recommend that shareholders vote to approve the Name Change Resolution as it is a condition for the completion of the proposed Transaction. **The persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, will vote such proxies in favour of the Name Change Resolution.**

(vi) Amendments to the CPC Escrow Agreements

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass an ordinary resolution of disinterested shareholders in the form set out below (the “Amended Escrow Agreements Resolution”), allowing the Corporation to make certain amendments to the Corporation’s three escrow agreements dated October 31, 2012 and June 6, 2018 (the “Escrow Agreements”) affecting 2,300,000 Common Shares (766,66 post-Consolidation) to align the Corporation’s practices and operations with the TSXV’s recently announced changes to its capital pool company program and CPC Policy, which became effective on January 1, 2021 (the “Updated CPC Policy”).

The Escrow Agreements were initially entered into pursuant to the CPC Policy and in the form of escrow agreement published by the TSXV as at June 14, 2010. The current Escrow Agreements impose restrictive escrow conditions on the securities held by directors, officers and the holders of seed shares acquired prior to the completion of the Corporation's initial public offering. Under the Escrow Agreements, such securities are subject to restrictions on transfer until the completion of a Qualifying Transaction, after which such securities begin to be released over a 36 month period. Under the Updated CPC Policy and the new CPC Form of Escrow Agreement effective as at January 1, 2021, escrowed securities are subject to only an 18 month escrow release schedule, whereby 25% of the escrowed securities will be released from escrow on the date the TSXV issues a final bulletin for the Corporation's Qualifying Transaction (the "**Final QT Exchange Bulletin**"), and 25% of the escrowed securities will be released from escrow on each of the 6, 12 and 18 months anniversaries following such date. The Amended Escrow Agreements Resolution requires the approval of disinterested shareholders. All parties to the Escrow Agreements, who in aggregate, hold or control, directly or indirectly, 2,300,000 Common Shares, including the directors and officers the Corporation, will be excluded from the vote. If the Amended Escrow Agreements Resolution receives approval from disinterested shareholders, the Corporation will work with the escrow agent to finalize the amendments and new Escrow Agreements will replace the current Escrow Agreements, and these new Escrow Agreements will be filed on SEDAR. If not approved, the current Escrow Agreements will continue in full force and effect. The amendments to the Escrow Agreements are also subject to the approval of the TSXV.

The text of the Amended Escrow Agreements Resolution is set out below:

"BE IT HEREBY RESOLVED that:

- (1) subject to the approval of the TSX Venture Exchange, the Corporation is authorized and approved to amend the three escrow agreements dated October 31, 2012 and June 6, 2018 between the Corporation, TSX Trust Company and certain securityholders of the Corporation, to make the changes as are deemed necessary for the escrow agreements to reflect the changes to the escrow release schedule contained in Policy 2.4 of the TSX Venture Exchange that became effective on January 1, 2021; and
- (2) any director or officer of the Corporation is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to do all such acts and things and to execute, or cause to be executed, under the corporate seal of the Corporation or otherwise, and to deliver, or cause to be delivered, such other agreements, certificates, documents and instruments, as may in the opinion of such director or officer of the Corporation be necessary or advisable to carry out and to fulfill the intent of the foregoing resolution."

Unless otherwise instructed, the persons named in the enclosed form of proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the Amended Escrow Agreements Resolution. The directors of the Corporation recommend that shareholders vote in favour of the approval of the Amended Escrow Agreements Resolution. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the disinterested votes cast by Shareholders at the Meeting. As of the date hereof, 2,300,000 Common Shares are expected to be excluded. The Amended Escrow Agreements Resolution is also subject to approval of the TSXV.

(vii) Appointment of Auditor

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the reappointment of RSM Canada LLP, as auditors of the Corporation, to hold office until the next annual meeting of shareholders and the authorization of the directors of the Corporation to fix their remuneration.

The directors of the Corporation recommend that shareholders vote in favour of the appointment of RSM Canada LLP, and the authorization of the directors of the Corporation to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

(viii) Stock Option Plan

At the Meeting, shareholders will be asked to pass a resolution approving the 10% rolling stock option plan of the Corporation (the "**Option Plan**"), a copy of which is attached hereto as Appendix "C". The Option Plan will be carried forward as the stock option plan of the Resulting Issuer upon successful completion of the Transaction. Accordingly, at the Meeting, shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

"BE IT HEREBY RESOLVED that:

- (1) the stock option plan of the Corporation, substantially in the form attached at Appendix “C” to the Management Information Circular of the Corporation dated March 1, 2021, be and the same is hereby ratified, confirmed and approved as the stock option plan of the Corporation;
- (2) any director or officer be and is hereby authorized to amend the stock option plan of the Corporation should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and
- (3) any one director or officer of the Corporation be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed form of proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the Option Plan. The directors of the Corporation recommend that shareholders vote in favour of the approval of the Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

10. CORPORATE GOVERNANCE DISCLOSURE

Set forth below is a description of the Corporation’s current corporate governance practices, as prescribed by Form 58-101F2, which is attached to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”).

Information concerning proposed corporate governance practices of the Resulting Issuer assuming completion of the Transaction will be contained in the Filing Statement.

Board of Directors

The directors have determined that James Greig and Jaimie Grossman, current and prospective members of the board of directors of the Corporation, are independent as such term is defined in NI 58-101, and that Michael Frank (Chief Executive Officer and Chief Financial Officer), a current and prospective member of the board of directors of the Corporation, is not independent as such term is defined in NI 58-101, as he is an executive officer (as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”)) of the Corporation.

As it relates to the Resulting Issuer Board, Teonan has determined that Frank Aton, Claude Dufresne and Steve Saviuk, each a prospective member of the Resulting Issuer Board, will be deemed independent as such term is defined in NI 58-101, and that Eric Ronsse and Stephanus Roussow, each prospective members of the Resulting Issuer Board, will not be deemed independent as such term is defined in NI 58-101, as both are expected to be an executive officer (as such term is defined in NI 51-102) of the Resulting Issuer.

Directorships

The following directors and prospective directors of the Corporation are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
Michael Frank	Compel Capital Inc. (unlisted)
	Revive Therapeutics Ltd. (CSE)
James Greig	Benchmark Metals Inc. (TSXV)
	Camino Minerals Corporation (TSXV)
Claude Dufresne	Niobay Metals Inc. (TSXV)
Steve Saviuk	Valeo Pharma Inc. (CSE)
	Earth Alive Clean Technologies Inc. (TSXV)
	Manitex Capital Inc. (TSXV)
	Ortho Regenerative Technologies Inc. (CSE)

Orientation and Continuing Education

While the Corporation does not currently have a formal orientation and education program for new members of the board of directors, the Corporation provides such orientation and education on an ad hoc and informal basis. The directors believe that these procedures are a practical and effective approach in light of the Corporation’s particular circumstances, including the size of the Corporation, the number, experience and expertise of its directors.

Ethical Business Conduct

The directors' maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Corporation's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the OBCA.

Nomination of Directors

Both the directors and management are responsible for selecting nominees for election to the board of directors. At present, there is no formal process established to identify new candidates for nomination. The board of directors and management determine the requirements for skills and experience needed on the board of directors from time to time. The present board of directors and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, support for the Corporation's business objectives and a willingness to serve.

Compensation

At present, no compensation (other than the grant of incentive stock options) is paid to the directors of the Corporation in their capacity as directors. The directors do not currently have a compensation committee. As a capital pool company pursuant to the CPC Policy the Corporation is not permitted to compensate officers, including the Chief Executive Officer, for their services.

Assessments

The directors' believe that nomination to the Corporation's board of directors is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the board of directors.

11. AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) requires the Corporation, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor. Information concerning the Audit Committee of the Resulting Issuer will be contained in the Filing Statement.

Audit Committee Charter

The Corporation's Audit Committee is governed by an audit committee charter, a copy of which is attached hereto as Appendix “C”.

Composition of Audit Committee

The Corporation's Audit Committee is currently comprised of three directors, namely, James Greig, Jaimie Grossman and Michael Frank. Each member of the Audit Committee is financially literate, as such term is defined in NI 52-110, and two of the members, namely, James Greig and Jaimie Grossman, are independent, as such term is defined in NI 52-110 and in the OBCA.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member relevant to the performance of his responsibilities as an Audit Committee member is as follows:

James Greig (Chair)

Mr. Greig holds a Masters in Business Administration from the University of Calgary and a Bachelors of Arts (Geography) from Carleton University. Mr. Greig is currently engaged with several publicly-listed mineral exploration companies as a consultant. Mr. Greig served as Chief Financial Officer and a director of Crest Petroleum Corp. and as a

member of the audit committee. Mr. Greig served at Keegan Resources Inc. as part of the mine development team advancing the 5 million ounce Esaase Gold Project in West Africa. With 21 years in the resource sector, he brings comprehensive experience in exploration, development and mineral production. Selected engagements within the resource sector include the Hunter-Dickinson Group, Kennecott Canada, Breakwater Resources Ltd., McIntosh Engineering and Stantec Engineering.

Jaimie Grossman

Mr. Grossman was co-founder and CEO of UPTREND media, which grew to become the largest independent Advertising Representation Network in Canada before it was sold to Yellow Pages Group (Y.TO) in 2010. In early 2015 he co-founded Jiffy on Demand and was CEO until 2018, he now serves as Chairman. Jiffy is a web and mobile platform that connects homeowners with service providers in real time, based on proximity and availability. Jaimie holds an MBA from the Schulich School of Business, and a certificate in American Foreign Policy from American University in Washington D.C. He has served on the boards of Mount Sinai Hospital's Leadership Sinai, Kensington Health and the Kensington Health Foundation.

Michael Frank

Mr. Frank has a strong background in operations, business development, M&A and the capital markets. Mr. Frank is currently the President of Mifran Consulting, providing advisory services to emerging technology companies in a number of key verticals. In the past, Mr. Frank has served as the CEO and Director of Sprylogics International and the Internet of Things Inc., as well as holding senior management positions at Ernst & Young, Data General, and NCR. Mr. Frank has had successful exits in the technology sector including one to Intuit Corporation, and has been instrumental in advising several early stage software companies including a number in the cannabis sector over the last few years. Mr. Frank is also currently the CEO of Revive Therapeutics Ltd.

External Auditor Matters

Since the commencement of the Corporation's most recently completed financial year, the Corporation's directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation's directors and, where applicable, the Audit Committee, on a case-by-case basis.

In the following table, "Audit fees" are fees billed by the Corporation's external auditor for services provided in auditing the Corporation's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditor in its previous three financial year-ends, by category, are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2019	\$6,000	\$420	\$1,575	Nil
December 31, 2018	\$5,500	\$385	\$1,575	Nil
December 31, 2017	\$5,000	\$3,628	\$1,500	Nil

Exemptions

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Corporation from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

12. EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Securities legislation requires the disclosure of the compensation received by each “Named Executive Officer” (“**Named Executive Officer**”) of the Corporation for the most recently completed financial year. “Named Executive Officer” is defined by the legislation to mean: (i) the Chief Executive Officer of the Corporation; (ii) the Chief Financial Officer of the Corporation; (iii) each of the Corporation’s three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a “Named Executive Officer” under paragraph (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year.

The only Named Executive Officer of the Corporation is Michael Frank, the Chief Executive Officer and Chief Financial Officer of the Corporation. As at the date hereof, the Corporation had not yet completed a Qualifying Transaction (as such term is defined by the CPC Policy). Accordingly, the Named Executive Officer has not been paid any compensation as the CPC Policy prohibits directors and officers from receiving remuneration (other than incentive stock options) while the Corporation is a CPC (as such term is defined by the CPC Policy). Information concerning the executive compensation of the Resulting Issuer will be contained in the Filing Statement.

Option-Based Awards

Certain of the directors and officers of the Corporation have been granted stock options pursuant to the Option Plan. The allocation and number of stock options granted was determined by the board of directors and the exercise price was established by the directors in accordance with the policies of the TSXV. The purpose of granting such options is to assist the Corporation in compensating, attracting, retaining and motivating its officers and directors and to closely align the personal interests of such persons to that of the shareholders.

Option-based awards are designed to reward individual performance and contribution to the Corporation’s objectives. Previous grants of option-based awards are taken into account when considering new grants.

Summary Compensation Table for Named Executive Officers

The Named Executive Officer of the Corporation, Michael Frank, did not receive any compensation from the Corporation during the last three completed financial years of the Corporation.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

The Named Executive Officer of the Corporation did not hold any share-based or option-based awards as of December 31, 2020.

Incentive Plan Awards – Value Vested or Earned During the Year

No incentive plan awards vested or were earned by the Named Executive Officer during the year ended December 31, 2020.

Pension Plan Benefits

The Corporation has not implemented a pension plan.

Termination and Change of Control Benefits

As at the end of each of the Corporation’s last three most recently completed financial years (December 31, 2020, 2019 and 2018) the Corporation had not entered into any contract, agreement, plan or arrangement that provides for payments to an Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an Named Executive Officer’s responsibilities.

Director Compensation

No cash compensation was paid to any directors of the Corporation during the last three financial years ended December 31, 2020, 2019 and 2018. The directors of the Corporation are eligible to receive incentive stock options to purchase Common Shares pursuant to the terms of the Option Plan. Information concerning executive compensation of the directors of the Resulting Issuer will be contained in the Filing Statement.

Director Compensation Table for Directors (other than the Named Executive Officers)

No compensation was provided to any of the directors of the Corporation during the financial years ended December 31, 2020 and 2019.

The following table sets forth all compensation provided to the directors of the Corporation (other than the Named Executive Officer, whose disclosure with respect to compensation is set out above) for the financial year ended December 31, 2018:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based Awards ⁽¹⁾ (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
James Greig	N/A	N/A	27,789	N/A	N/A	N/A	27,789
Jaimie Grossman	N/A	N/A	27,789	N/A	N/A	N/A	27,789

Notes:

- (1) Calculated at the date of the grant using the black-scholes options pricing model with the following assumptions: risk free interest rates of 2.37% and 2.26%; dividend yield of nil; expected stock price volatility of 100.00%; option life of 10 years.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding for each of the directors of the Corporation (other than the Named Executive Officers, whose disclosure with respect to incentive plan awards is set out above) as of December 31, 2020:

Name	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
James Greig	107,790	\$0.06	May 23, 2028	Nil	N/A	N/A
	150,000	\$0.06	June 6, 2028	Nil	N/A	N/A
Jaimie Grossman	107,790	\$0.06	May 23, 2028	Nil	N/A	N/A
	150,000	\$0.06	June 6, 2028	Nil	N/A	N/A

Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSXV on July 28, 2020 (the last day the Common Shares traded during the financial year ended December 31, 2020) of \$0.05.

Incentive Plan Awards – Value Vested or Earned During the Year

No incentive plan awards vested or were earned by the directors of the Corporation (other than the Named Executive Officer, whose disclosure with respect to incentive plan awards is set out above) during the years ended December 31, 2020 and 2019.

The following table sets forth the value of all incentive plan awards vested or earned for the directors of the Corporation (other than the Named Executive Officer, whose disclosure with respect to incentive plan awards vested or earned is set out above) during the year ended December 31, 2018:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
James Greig	Nil	N/A	N/A
Jaimie Grossman	Nil	N/A	N/A

Notes:

- (1) Aggregate value is calculated based on the difference between the exercise price of the options on the date they vest and the closing price of the Common Shares on the TSXV on such date, or in the event such date is not a trading date, the closing price on the next trading date.

13. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of December 31, 2020 regarding the number of Common Shares to be issued pursuant to equity compensation plans of the Corporation and the weighted-average exercise price of said securities:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	773,370	\$0.06	150,000
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	773,370	\$0.06	150,000

The securities referred to in the table above were granted under the Option Plan or its predecessors plans.

14. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, the proposed nominees for election as director, the executive officers of the Corporation, or any of their respective associates or affiliates is or has been indebted to the Corporation or any of its subsidiaries in respect of loans, advances or guarantees of indebtedness.

15. INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the informed persons (as such term is defined in NI 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Corporation since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Michael Frank, Chief Executive Officer and Chief Financial Officer of the Corporation subscribed for \$40,000 of subscription receipts issued by the Corporation in February 2021 which was a "related party transaction" as defined under Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions*.

16. MANAGEMENT CONTRACTS

There are no management functions of the Corporation which are to any substantial degree performed by a person or a company other than the directors or executive officers of the Corporation.

17. PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Other than the foregoing, management of the Corporation knows of no other matter to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters which are not known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

18. ADDITIONAL INFORMATION

Additional information relating to the Corporation, including copies of the Corporation's financial statements and Management's Discussion and Analysis is available on SEDAR at www.sedar.com, copies of which may be obtained from the Corporation upon request. The Corporation may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Corporation.

DATED this 1st day of March, 2021.

BY ORDER OF THE BOARD

(signed) "Michael Frank"
Chief Executive Officer

APPENDIX “A”
ARTICLES OF CONTINUANCE AND BY-LAWS

See attached.



Form 11
Articles of Continuance
Canada Business Corporations Act
(CBCA) (s. 187)

Formulaire 11
Clauses de prorogation
Loi canadienne sur les sociétés par
actions
(LCSA) (art. 187)

1	Corporate name Dénomination sociale CLUNY CAPITAL CORP.
2	The province or territory in Canada where the registered office is situated La province ou le territoire au Canada où est situé le siège social QC
3	The classes and the maximum number of shares that the corporation is authorized to issue Catégories et le nombre maximal d'actions que la société est autorisée à émettre See attached schedule / Voir l'annexe ci-jointe
4	Restrictions on share transfers Restrictions sur le transfert des actions See attached schedule / Voir l'annexe ci-jointe
5	Minimum and maximum number of directors Nombre minimal et maximal d'administrateurs Min. 3 Max. 10
6	Restrictions on the business the corporation may carry on Limites imposées à l'activité commerciale de la société None
7	(1) If change of name effected, previous name S'il y a changement de dénomination sociale, indiquer la dénomination sociale antérieure N/A (2) Details of incorporation Détails de la constitution The Corporation was formed under the Business Corporations Act (Ontario) on August 11, 2011.
8	Other Provisions Autres dispositions See attached schedule / Voir l'annexe ci-jointe
9	Declaration: I certify that I am a director or an officer of the company continuing into the CBCA. Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société se prorogeant sous le régime de la LCSA.

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Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the *Privacy Act* allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la *Loi sur les renseignements personnels* permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Schedule / Annexe
Description of Classes of Shares / Description des catégories d'action

The Corporation is authorized to issue an unlimited number of common shares.

The common shares shall have attached thereto the following rights, privileges, restrictions and conditions:

1. Voting

Each holder of common shares shall be entitled to receive notice of and to attend all meetings of shareholders of the corporation, except meetings at which only holders of other classes or series of shares are entitled to attend, and at all such meetings shall be entitled to one vote in respect of each common share held by such holder.

2. Dividends

The holders of common shares shall be entitled to receive dividends if and when declared by the board of directors.

3. Liquidation

In the event of any liquidation, dissolution or winding-up of the corporation or other distribution of the assets of the corporation among its shareholders for the purpose of winding-up its affairs, the holders of common shares shall be entitled to receive the remaining property or assets of the corporation.

Schedule / Annexe
Restrictions on Share Transfers / Restrictions sur le transfert des actions

If the corporation:

(a) is not a reporting issuer or an investment fund within the meaning of applicable securities legislation; and

(b) has not distributed to the public (excluding accredited investors within the meaning of applicable securities legislation) any of its securities;

than no securities in the capital of the corporation other than non-convertible debt securities) shall be transferred without either:

(c) the previous consent of the board of directors expressed by a resolution passed by the board of directors or by an instrument or instruments in writing signed by a majority of the directors; or

(d) the previous consent of the holders of at least 51% of the securities of that class for the time being outstanding expressed by a resolution passed by the securityholders or by an instrument or instruments in writing signed by such securityholders.

Schedule / Annexe
Other Provisions / Autres dispositions

It shall be a condition of the articles that:

(1) The number of directors within the minimum and maximum number set out in paragraph 5 may be determined from time to time by resolution of the board of directors. Any vacancy among the directors resulting from an increase in the number of directors as so determined may be filled by resolution of the directors, subject to any limitations imposed on the directors to fill such vacancy under the Canada Business Corporations Act; and

(2) The board of directors may from time to time in such amounts and on such terms as it deems expedient charge, mortgage, hypothecate, pledge or grant a security interest in all or any of the currently owned or subsequently acquired real or personal, moveable or immovable property of the Corporation including book debts, rights, powers, franchises and undertakings, to secure any debt obligations or any money borrowed or other debt or liability of the Corporation. The board of directors may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the board all or any of the powers conferred on the board above, to such extent and in such manner as the board shall determine at the time of each such delegation.

CLUNY CAPITAL CORP.
GENERAL BY-LAWS (No. 1)
(CBCA)

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Cluny Capital Corp.
(hereinafter the “Corporation”)

GENERAL BY-LAWS No. 1

1.00 INTERPRETATION

1.01 Definitions

Unless otherwise indicated herein or inconsistent with the context, capitalized words and expressions appearing in this agreement will be interpreted as set out below. Moreover, words and expressions may also be defined elsewhere in the By-laws, in which case they will have the meaning expressly set out in the section or subsection in which they are defined.

a) Act

refers to the *Canada Business Corporations Act*, RSC 1985, c C-44, including any amendments and regulations adopted thereunder;

b) Articles

refers to the Corporation’s articles, including articles of incorporation, amendment, amalgamation, continuation, reorganization and dissolution as well as any amendments appended to such articles of incorporation, amendment, amalgamation, continuation, reorganization and dissolution;

c) Auditor

refers to the auditor of the Corporation, including an auditor that is a legal entity;

d) Board

refers to the board of directors of the Corporation;

e) Books

refers to the minute book that the Corporation keeps at its Registered Office in which are kept:

a) all Articles;

b) all By-laws including any subsequent amendments;

- c) any Unanimous Shareholder Agreement;
- d) minutes of all Shareholder Meetings, Board meetings, and meetings of committees created by the Board, as well as written resolutions and resolutions adopted at such Shareholder Meetings, and Board and committee meetings;
- e) copies of all permits required under any law governing the activities of the Corporation;
- f) a securities register showing in respect of each class or series of Shares and convertibles securities, i) the names and last known addresses of all holders or previous holders of such Shares, ii) the number of Shares held by each shareholder, and iii) the date and details of the issuance or transfer of each Share, in accordance with section 50 of the Act;
- g) a securities register showing in respect of each type of convertible securities issued, the name and address of the holder, the convertible securities held and details of the conversion rights;
- h) a Directors' register, setting out the names and addresses of current Directors and former directors, including the start and end dates of their term in office;
- i) an Officers' register, setting out the names and addresses of current Officers and former officers, including the start and end dates of their term in office;
- j) an Individuals with Significant Control register, setting out the names, address, date of birth, jurisdiction of tax residence, start and end date of Significant Control and a description of the significant control;
- k) original Share certificates or copies thereof;

f) By-laws

refers to this general by-law and includes any amendments that may be made in accordance with the Act;

g) Corporations Canada

refers to any director(s) or deputy director(s) appointed in accordance with section 260 of the Act to carry out the duties and exercise the powers of the *Director* under the Act;

h) Director(s)

refers to any member(s) of the Board and includes, if applicable, a sole director;

i) Individual with Significant Control

Refers to Section 2.1 (1) of the Act, any of the following individuals is an individual with significant control over a corporation: (a) an individual who has any of the following interests or rights, or any combination of them, in respect of a significant number of shares of the corporation: (i) the individual is the registered holder of them, (ii) the individual is the beneficial owner of them, or (iii) the individual has direct or indirect control or direction over them; (b) an individual who has any direct or indirect influence that, if exercised, would result in control in fact of the corporation; or (c) an individual to whom prescribed circumstances apply.

Joint ownership or control

(2) Two or more individuals are each considered to be an individual with significant control over a corporation if, in respect of a significant number of shares of the corporation, (a) an interest or right, or a combination of interests or rights, referred to in paragraph (1)(a) is held jointly by those individuals; or (b) a right, or combination of rights, referred to in paragraph (1)(a) is subject to any agreement or arrangement under which the right or rights are to be exercised jointly or in concert by those individuals.

Significant number of shares

(3) For the purposes of this section, a significant number of shares of a corporation is (a) any number of shares that carry 25% or more of the voting rights attached to all of the corporation's outstanding voting shares; or (b) any number of shares that is equal to 25% or more of all of the corporation's outstanding shares measured by fair market value.

j) Important Documents

refers to all cheques, bills of exchange, promissory notes, contracts, charges, debentures as well as any other commercial paper or banking instruments concerning the Corporation;

k) Officer

refers to the individuals appointed by the Board at each annual Shareholder Meeting as chairperson, president, vice-president, secretary, treasurer, controller, general counsel and chief executive officer of the Corporation and includes individuals who, on behalf of the Corporation, carry out similar duties that would normally be carried out by persons appointed to such positions;

l) Ordinary Resolution

refers to any resolution passed at a Shareholder Meeting by a Simple Majority of the votes cast by the Shareholders entitled to vote or any written resolution signed by all the Shareholders;

m) Person

means a natural person, partnership, business corporation, cooperative, association, labour union, trust or any other organization, whether or not incorporated, or any public authority of any foreign, federal, provincial, territorial or municipal jurisdiction;

n) Registered Address

means, in the case of any Shareholder, Director, Officer or the Auditor, the last address recorded in the Books by the Secretary of the Corporation, which may include the email address provided by the Shareholder, Director, Officer or the Auditor;

o) Shareholder

refers to any holder of Shares whose name appears in the securities register of the Corporation;

p) Shareholder Meeting

refers to any annual or special meeting of the Shareholders;

q) Shares

refers to any issued and outstanding share(s) of any class or series in the share capital of the Corporation;

r) Simple Majority

means more than FIFTY PERCENT (50%) of the votes cast by Persons with voting rights;

s) Special Resolution

refers to any resolution passed by at least TWO-THIRDS (2/3) of the votes cast at a Shareholder Meeting by the Shareholders entitled to vote or any written resolution signed by all the Shareholders;

t) Unanimous Shareholder Agreement

refers to a written agreement among all of the Shareholders of the Corporation or written declaration, restricting the power of the Directors;

1.02 General Provisions

1.02.01 Applicable Law

The Agreement will be governed and interpreted in accordance with the federal and provincial Laws in effect in the Province of Quebec, Canada.

1.02.02 Computation of Time

For the purposes hereof, all days are business days, except for Saturdays, statutory holidays as defined under section 61 of the *Interpretation Act*, CQLR c I-16 and December 26 and January 2. When calculating any time limit, the day that marks the start is not counted but the last day is. And a time limit that would normally expire on a non-business day is extended until the following business day.

1.02.03 Order of Precedence

Where a contradiction exists between the Articles, Unanimous Shareholder Agreement or By-laws, the Articles will prevail. The Unanimous Shareholder Agreement shall prevail over the By-laws.

1.02.04 Discretion

Where the By-laws confer a discretionary power to the Directors, the latter may exercise this power in the manner and when they consider it appropriate, in the best interests of the Corporation.

2.00 ORGANIZATION OF CORPORATION

2.01 Registered Office

The Corporation will at all times have a registered office in Canada in the province specified in its Articles (hereinafter the “**Registered Office**”); more precisely, at the address indicated in Form 2 filed with Corporations Canada at the time it was incorporated or, thereafter, as indicated in Form 3 filed with Corporations Canada to give notice of a change of Registered Office address in the same province, approved by resolution of the Directors. The Corporation may establish one or several places of business inside or outside of the province indicated in the Articles. The Corporation may, change the address of its Registered Office in accordance with the Act.

2.02 Corporate Seal

The Corporation may, but without being required, adopt a seal, which the Board may decide to change at a later date. Any document signed by the Corporation is not invalid because there is no corporate seal affixed to it. If applicable, the seal is to be kept at the Corporation's Registered Office or at any other place determined by the Board. And only an Officer or a Director appointed by resolution may affix the seal to any documents.

2.03 Books

The Books are held at the Registered Office, or at any other place as the Directors consider appropriate so that they may inspect the Books at any time. The Shareholders and their advisors, creditors of the Corporation and Corporations Canada may inspect the Books during the Corporation's regular business hours and request copies thereof free of charge, except for the accounting books or books where the Board meeting minutes as well as resolutions of the Board and its committees are kept, which may only be inspected by the Directors. Each Shareholder is, upon request, entitled to ONE (1) copy of the Articles, By-laws and any Unanimous Shareholder Agreement free of charge.

2.04 Financial Year

The financial year of the Corporation ends on the date determined by a resolution of the Directors.

3.00 SHAREHOLDER MEETINGS

3.01 Registered Holder

The Corporation may, subject to sections 134, 135 and 138 of the Act, treat the registered holder of a security as the only Person entitled to vote, receive notices, receive any interest, dividend or other distributions in respect of the security, and otherwise exercise all the rights and powers of a registered holder thereof.

3.02 Place

Shareholder Meetings will be held at the Registered Office or at any place in Canada determined by the Board. A Shareholder Meeting may, exceptionally, be held outside of Canada at any place if agreed upon by all Shareholders entitled to vote.

3.03 Meeting by electronic means

The directors of the Corporation that call a meeting of Shareholders may determine that the meeting shall be held, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting.

3.04 Purpose of Annual Shareholder Meeting

The annual Shareholder Meeting must take place at the Registered Office or at any other place in Canada determined by the Directors within EIGHTEEN (18) months of its incorporation and, subsequently, within FIFTEEN (15) months after the previous annual meeting is held, but not more than SIX (6) months after the end of each financial year, at the date and time determined by the Directors. At an annual Shareholder Meeting, the following matters may be considered:

- a) the Directors will present the Shareholders with the annual and comparative financial statements, prepared not more than SIX (6) months prior to the meeting and, if applicable, the Auditor's report;
- b) to elect the Directors by Ordinary Resolution;
- c) to decide by Ordinary Resolution to either appoint an Auditor or, if the Corporation has made a public issue of its securities, not to appoint an Auditor;
- d) place before the shareholders the disclosure relating to diversity, as may be required by the Act;
- e) to take cognizance of and decide any other matters that may be presented at the annual Shareholder Meeting in accordance with the Act.

Moreover, any annual Shareholder Meeting may constitute a special Shareholder Meeting with the power to take cognizance of and decide any other matters that may be ordinarily addressed at a special Shareholder Meeting.

3.05 Special Meeting

3.05.01 Purpose

A special Shareholder Meeting will be called to decide any matters other than which can be presented at the annual Shareholder Meeting.

3.05.02 Notice of Meeting

A special Shareholders' meeting may be called at any time by the Directors, at their own discretion, or within TWENTY-ONE (21) days following receipt of a written request by the Shareholders who, at the date of submitting the request, hold at least FIVE PERCENT (5%) of the Shares that carry a right to vote, provided that no exemptions under the Act apply.

3.06 Calling of Meetings

3.06.01 Regular Meeting

a) Shareholders

Notice of any Shareholder Meeting must be sent by the Secretary to all Shareholders who are registered in the Books as the holders of any Share(s) that carry a right to vote as well as to the Directors and the Auditor.

b) Notice

The above-mentioned notice will be in writing and sent to the Registered Address of each Shareholder who is entitled to vote as well as the Directors and Auditor or the notice may be delivered by any electronic means as may be permitted under the Act, at least TWENTY-ONE (21) days before the date set for the meeting or as may be required under the Act. If the address of any Shareholder, Director or of the Auditor does not appear as a Registered Address in the Books, the notice may be sent to the address, where in the Directors' opinion, the Shareholder, Director or Auditor is most likely to receive such notice in a timely manner.

c) Proxy

A proxy form, which may take the form set out in Subsection 3.12.01 herein, must be appended to the notice of meeting.

d) Assignee

Any Person who, by transfer or any other means, acquires any Share in the share capital of the Corporation, is bound by any notice of meeting sent to the name and address of the Person from whom the former acquired such share(s), unless that Person's name has been recorded in the Books.

e) Presumption

Any notice sent to the Registered Address of a Shareholder is considered to have been received by that Shareholder on the date it is delivered by mail or received by electronic means.

f) Joint Holders

Notices concerning the Shares held by more than one Person may be duly sent in the name of the first Shareholder indicated in the Books, which notice will also be considered valid for the joint holders of these Shares.

3.06.02 Content of Notice

Any notice of meeting must indicate the date, time and place of the Shareholder Meeting as well as the agenda and include sufficient details to allow the shareholders to make an informed decision. The notice must also include the full text of any Special Resolution to be presented at the Shareholder Meeting and specify the date by which the proxies of those Shareholders who wish to be represented at such Shareholder Meeting must, at the latest, be received by the Corporation.

3.06.03 Waiver of Notice

A Shareholder Meeting may validly be held without prior notice, when all Shareholders entitled to vote at a Shareholder Meeting expressly waive the right to such notice. A Shareholder who attends, in person or by proxy, a Shareholder Meeting for which notice was not sent, will constitute a waiver of the notice of the meeting, except where such Shareholder attends the meeting solely for the purpose of objecting to the holding of the meeting on grounds that it was not lawfully called.

3.06.04 Irregularities

a) Proof

A certificate signed by the Secretary or an Officer constitutes proof of the sending of a notice of meeting to the Shareholders.

b) Form or Content

Subject to Paragraph 3.06.04 c) below, any irregularities concerning the form or content of a notice of meeting will in no way affect the validity of a Shareholder Meeting and any resolutions adopted during such meeting.

c) Information Omitted

The accidental omission in the notice of meeting of one of the matters to be raised at the Shareholder Meeting will not prevent this matter from being considered at such meeting, unless any Shareholder or Director suffers prejudice as a result or whose interests may be adversely affected.

d) Failure to Send Notice

The accidental failure to send notice of meeting to any Person entitled to receive such notice or such Person's failure to receive that notice will not invalidate the resolutions adopted at the Shareholder Meeting.

3.07 Chair of Meeting

3.07.01 Appointment

The Chair of the Board or, in the latter's absence, the President of the Corporation, will preside over Shareholder Meetings. If, at the opening of such meeting, neither is present or they refuse to act, the Shareholders and proxyholders who are present may choose a Chair of the meeting from among the other Officers who are present.

3.07.02 Procedure

The Chair of the Shareholder Meeting will direct the deliberations of the Shareholders and ensure the smooth conduct of the meeting. The Chair will also establish, in a reasonable and impartial manner, the procedure to be followed based on rules normally followed during such meetings. The Chair will decide all questions including, without limiting the generality of the foregoing, any question relating to the validity of proxies and their revocation. All decisions made by the Chair are final and bind the Shareholders who are present.

3.07.03 Resolution

At any Shareholder Meeting, unless a ballot vote is demanded, the declaration by the Chair that a Shareholders' resolution has been carried or defeated and the entry of this fact in the minutes of the meeting will, in the absence of evidence to the contrary, constitute sufficient proof without it being necessary to prove the number or proportion of votes cast in favour or against that resolution.

3.08 Secretary

At any Shareholder Meeting, the Secretary of the Corporation or, in the latter's absence, any individual appointed by the Chair, will act as secretary of the meeting. The Secretary is responsible for drafting the minutes of each meeting and all Shareholders' resolutions.

3.09 Quorum

3.09.01 Minimum Threshold

Subject to any provision to the contrary in the Act, a quorum is present at a Shareholder Meeting if, at the opening of the meeting, the Shareholders holding more than TEN PERCENT (10%) of the shares entitled to vote at the meeting are present, in person or by proxy, regardless of the number of persons actually present.

3.09.02 Sole Shareholder

If at any time the Corporation has only one Shareholder, or if there is only one person holding the only class of shares carrying voting rights at Shareholder Meetings, the Shareholder who is present in person or represented by a proxyholder constitutes a quorum. The Shareholder

holding all the shares carrying voting rights will exercise alone the powers of any Shareholder Meeting.

3.09.03 Opening Quorum

If a quorum is present at the outset of the Shareholder Meeting, the Shareholders present or represented may proceed with the business set out in the notice of meeting, notwithstanding the fact that a quorum is not present throughout the meeting.

3.10 Adjournment

3.10.01 Absence of Quorum

If a quorum is not present at the opening of a Shareholder Meeting, FIFTEEN (15) minutes after such meeting is scheduled to start, the Shareholders present in person or by proxy only have the power to adjourn the Shareholder Meeting to another date, time and place and may not consider any other matters.

3.10.02 Notice of Meeting

If the Shareholder Meeting is adjourned to a date less than THIRTY (30) days from the date of the initial meeting, it is not necessary to send a new notice of meeting.

If the Shareholder Meeting is adjourned to a date that is THIRTY (30) days or more from the date of the initial meeting, a notice of the adjourned meeting must be sent in the same manner as for the initial Shareholder Meeting.

3.10.03 Resumption of Shareholder Meeting

If, during the resumption of any adjourned meeting a quorum is still not present, the Shareholder Meeting may be reconvened by notice after a waiting period of FIFTEEN (15) days. If, however, a quorum is present, the meeting may proceed with the business for which it was initially called.

3.10.04 Quorum Present

Any meeting at which a quorum is present may also be adjourned in the same manner as any Shareholder Meeting for which a quorum was not present.

3.11 Voting

3.11.01 Right to Vote

Unless otherwise indicated in the Articles, at any Shareholder Meeting, each Shareholder is entitled to one vote for each Share carrying the right to vote.

3.11.02 Simple Majority

Any matter considered at a Shareholder Meeting will be decided by a Simple Majority of the votes cast.

3.11.03 Deciding Vote

The Chair of the meeting does not have a casting vote at any Shareholder Meeting, including for the purpose of breaking a tie vote.

3.11.04 Show of Hands

Unless a ballot is demanded by any Shareholder or proxyholder entitled to vote, voting at a Shareholder Meeting will be by show of hands. However, a proxyholder may not participate in a vote by show of hands if, under separate proxies, such proxyholder received contradictory instructions from the Shareholders it represents.

3.11.05 Ballot

Should any Shareholder or proxyholder entitled to vote at the meeting demand a ballot vote, (a ballot vote may be demanded before or after any vote by show of hands) each Shareholder or proxyholder will remit to the Chair a ballot on which will be written the latter's name and, if a proxyholder, the name of the Shareholder as well as the number of votes held and the manner in which the votes will be exercised.

3.11.06 Vote by Body Corporate

An individual authorized by directors' resolution of a Shareholder that is a body corporate is entitled to attend and vote at any Shareholder Meeting.

3.11.07 Joint Holding

When Shares are jointly held by more than one Shareholder, the Shareholder who is present at a Shareholder Meeting may, in the absence of the other joint Shareholders, vote such Shares. If more than one joint Shareholder is present in person or by proxy, they must vote as one Shareholder in respect of such jointly held Shares.

3.11.08 By Electronic Means

Any Shareholder or proxyholder may attend and vote at any Shareholder Meeting by telephone or any other electronic means of communication that is made available by the Corporation.

3.12 Proxies

3.12.01 Appointing

Any Shareholder entitled to vote at a Shareholder Meeting may appoint a proxyholder as well as one or more alternate proxyholders, who are not required to be a Shareholder, to attend the Shareholder Meeting and to act within the limits set out in the proxy.

3.12.02 Submitting

The Directors may, in a notice of meeting regarding a Shareholder Meeting, specify a deadline, of not more than FORTY-EIGHT (48) hours before the opening of the Shareholder Meeting or its adjournment, for submitting proxies to the Secretary of the Corporation.

3.12.03 Form

The form to be used to appoint a proxyholder must be included with the notice of meeting and, subject to the necessary adjustments, may be drafted as follows:

“I, the undersigned, a shareholder of (*name of corporation*) and holder of (.....) Class “....” shares with voting rights, hereby appoint (*name of proxyholder*) or, if the latter cannot act, (*name of alternate proxyholder*) as my representative with the power and authority to attend, vote and otherwise act on my behalf at the annual general [**OR** special] meeting of shareholders of the corporation that will take place at, on the day of, 20..., and any adjournment thereof. I hereby revoke any other proxy previously submitted for the same meeting.

This ... day of the month of, 20...

3.12.04 Scope

The proxy of a Shareholder is only valid for the Shareholder Meeting to which it relates as well as any adjournment thereof. Unless otherwise indicated, the proxy submitted by a Shareholder will lapse one year after the date thereof.

3.12.05 Revocation

The document appointing a proxy may be revoked at any time.

3.13 Resolution in Lieu of Meeting

A written resolution, signed by all the Shareholders entitled to vote on that resolution, is as valid as if it had been passed at a Shareholder Meeting in accordance with the Act.

3.14 Remote Participation

Any Person who is entitled to attend a Shareholder Meeting may do so any means of communication (telephone, electronic or other means) that is made available by the Corporation and that allows all participants to communicate adequately with each other, which Person will be deemed to have attended the Shareholder Meeting.

4.00 BOARD OF DIRECTORS

4.01 Duties

Subject to any Unanimous Shareholder Agreement, the Board will manage the activities or oversee the management thereof. Except as provided in the By-laws and the Act, exercising such duties does not require the approval of the Shareholders.

4.02 Powers

4.02.01 General

The Board will exercise any power and take any action that the Corporation is authorized to do; it may also issue and enter into any Important Documents on behalf of the Corporation.

4.02.02 Delegating Powers

The Directors may delegate some of their powers to a managing Director, chosen from among them, who must be a resident Canadian, or to a Board committee. However, neither a managing Director nor a Board committee may:

- a) submit questions to the Shareholders that require their approval;
- b) fill a vacancy among the Directors or in the office of the Auditor or appoint additional Directors;
- c) issue Shares, except as authorized by the Directors;

- d)* issue Shares in a series, except as authorized by the Directors;
- e)* declare dividends;
- f)* purchase, redeem or otherwise acquire Shares issued by the Corporation;
- g)* pay a commission to any purchaser of Shares, except as authorized by the Directors;
- h)* approve a management proxy circular;
- i)* approve a take-over bid circular;
- j)* approve the financial statements of the Corporation; or
- k)* adopt, amend or repeal by-laws.

4.02.03 Procedure

The Board will exercise its powers by way of resolutions adopted at a meeting where a quorum is present, or by written resolution duly signed by all the Directors entitled to vote on the resolution at a Board meeting.

4.02.04 Share Capital

Subject to the Act, the Articles or any Unanimous Shareholder Agreement, the Directors have full authority regarding the share capital of the Corporation. Accordingly, they may by resolution accept Share subscriptions, allocate, divide and issue Shares or otherwise dispose thereof in favour of any Person.

4.02.05 Dividends

a) Declaring

Subject to the attributes in respect of the different classes of Shares, the Directors may, without being required to do so, declare and pay dividends to the Shareholders. And, rather than declaring dividends, the Directors may choose to withhold any profits as a reserve fund.

b) Payment

Instead of declaring a dividend in money, the Directors may issue shares or pay the dividend in property.

4.02.06 Donations

Unless otherwise provided in the Articles or any Unanimous Shareholder Agreement, the Directors may donate property of the Corporation, even property worth a substantial amount, without having to obtain the consent of the Shareholders, provided that these donations are made in the best interests of the Corporation.

4.03 Validity of Acts

Any act by a Director is valid, notwithstanding any defect in the election, appointment or qualification of such individual.

4.04 Composition

4.04.01 Number

a) Minimum and Maximum

The minimum and maximum numbers of Directors are as set out in the Articles and forms filed with Corporations Canada at the time of incorporation.

b) Actual Number

The Board is composed of a number of Directors, within the limits of the minimum and maximum numbers of Directors provided in the previous Paragraph, as determined by the Directors at the first Shareholder Meeting, whose names appear in the Form 2 filed with Corporations Canada at the time of incorporation.

c) Amendment

The minimum and maximum number of Directors may be changed by Special Resolution and by filing a Form 4 with Corporations Canada to amend the Articles. The change will take effect on the date appearing in the certificate of amendment confirming such change.

d) Reporting Issuer

If the Corporation is a reporting issuer, there must be a minimum of THREE (3) Directors, TWO (2) of whom are not an Officer or employee of the Corporation or its affiliates.

4.04.02 Eligibility

a) Shareholder

Unless otherwise provided in the Articles or, if applicable, any Unanimous Shareholder Agreement, it is not necessary to be a Shareholder to be a Director of the Corporation.

b) Qualifications

The persons must be eligible under the Act.

4.05 Election

4.05.01 Shareholder Meeting

The Shareholders must, by Ordinary Resolution, elect the Directors at each annual Shareholder Meeting.

4.05.02 Additional Directors

The Directors may appoint one or more additional Directors whose term of office will expire no later than the close of the next annual Shareholder Meeting, on condition that the total number of Directors so appointed does not exceed one-third of the number of Directors elected at previous annual Shareholder Meeting.

4.05.03 Consent

The election or appointment of an individual as Director is only valid:

- a) if the person was present at the Shareholder Meeting at which the election or appointment took place and such person did not refuse to hold office; or
- b) if the person was *not* present at the Shareholder Meeting at which the election or appointment took place, and such person consented to hold office in writing before the election or appointment or within TEN (10) days thereafter, or such person has acted as a director pursuant to the election or appointment.

4.06 Advance Notice for Nomination of Directors.

The following procedure must be followed for a person to be eligible for election at a Meeting of Shareholders. Subject the provisions of the Act, such nominations may be made at any annual meeting or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

- a) by the Board of Directors or an authorized officer of the Corporation, including pursuant to a notice of meeting; or
- b) by or at the request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition to call a shareholders' meeting made in accordance with the provisions of the Act; or

c) by any person (a “Nominating Shareholder”) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and who complies with the notice procedures set forth below:

i. In addition to any other applicable requirements for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the Secretary at the registered office of the Corporation; and

ii. To be timely, a Nominating Shareholder's notice to the Secretary must be made:

A. In the case of an annual Shareholders Meeting, not less than 30 days prior to the date of the Shareholders Meeting; however, in the event that such meeting is called for a date that is less than 50 days after the date on which the first Public Announcement (as defined below) of the date of the Shareholders meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following such Public Announcement; and

B. In the case of a special Shareholders Meeting (other than an annual meeting) called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first Public Announcement of the date of the special meeting of shareholders was made.

C. provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer) is used for delivery of proxy related materials in respect of a meeting described in this section, and the Notice Date in respect of the meeting is not less than fifty (50) days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the fortieth (40th) day before the applicable meeting (but in any event, not prior to the Notice Date); provided, however, that in the event that the meeting is to be held on a date that is less than 50 days after the Notice Date, notice by the Nominating Shareholder shall be made, in the case of an annual Shareholders Meeting, not later than the close of business on the 10th day following the Notice Date and, in the case of a special Shareholders Meeting, not later than the close of business on the 15th day following the Notice Date

iii. To be in proper written form, a Nominating Shareholder's notice to the must set forth:

As to each person whom the Nominating Shareholder proposes to nominate for election as a director:

- the name, age, business address and residence address of the nominee; and
- citizenship of the nominee; and
- the principal occupation or employment of the nominee; and

- the class or series and number of shares in the share capital of the Corporation which are controlled or which are owned beneficially or of record by the nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available) and as of the date of such notice; and
- a letter confirming “independent director” status or lack thereof;
- any other information relating to the nominee that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and securities laws.

As to the Nominating Shareholder giving the notice of proposed nominee:

- any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation; and
- and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

iv. Nothing in section shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

v. Notwithstanding any other provision of the By-law, notice given to the Secretary may only be given by personal delivery, facsimile transmission or by email, and shall be deemed to have been given and made only at the time it is served by personal delivery, email or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the Registered Address; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Montreal time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

vi. A “Public Announcement” shall mean the disclosure by press release reported by a national news service in Canada or in any document filed by the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com.

vii. “Applicable Securities Laws” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under such statutes and the published national instruments, policies and bulletins.

viii. Notwithstanding the forgoing, the Board may in its sole discretion, waive any requirements of this Section 4.06.

4.06.01 Term of Office

a) Maximum Term

A Director's term of office starts on the date of the annual Shareholder Meeting when elected and expires not later than the close of the third annual Shareholder Meeting.

b) Undetermined Duration

A Director elected for a term that is not expressly stated will cease to hold office at the close of the next annual Shareholder Meeting.

c) Incumbent Directors

Notwithstanding Paragraphs 4.06.01 a) and b) above, if new Directors are not elected at a Shareholder Meeting, the incumbent Directors will continue in office until their successors are elected.

d) Termination of Office

A Director's term of office will end in the following circumstances:

- i)* the expiry of the term of office in accordance with Paragraphs 4.06.01 a), b) and c);
- ii)* the Director's death;
- iii)* the Director's resignation, in accordance with Subsection 4.06.02 herein;
- iv)* the Director's removal, in accordance with Subsection 4.06.03 herein; and
- v)* the Director becomes disqualified, in accordance with Subsection 4.04.02 herein.

4.06.02 Resignation

Any Director may at any time resign from office by sending a written notice to this effect to the Secretary of the Corporation by registered mail. The resignation of such Director will be effective on the date notice is sent to the Corporation or at any later date specified therein.

4.06.03 Removal

Shareholders who are entitled to vote may by Ordinary Resolution at a special Shareholder Meeting remove any Director from office. Any Director whose removal has been proposed must be informed of the place, date and time of the Shareholder Meeting within the same time limit as required to call any Shareholder Meeting. Such Director may attend and address the members or, in a written statement read by the Chair of the meeting, explain the reasons for opposing the resolution proposing his or her dismissal.

4.07 Vacancy

4.07.01 Removal

Any vacancy on the Board created by the removal of a Director under Subsection 4.06.03 herein may be filled at the Shareholder Meeting at which the Director is removed.

4.07.02 No Director

Subject to section 109(5) of the Act, if any Director resigns or is removed without being replaced, any person who manages the activities or oversees the management thereof is deemed to be a Director.

4.07.03 Filling Vacancy

Subject to Subsection 4.07.05 herein, the Directors may, if a quorum is present, fill any vacancy on the Board, except for any vacancy that is a result of failing to elect the number or minimum number of Directors in accordance with Paragraph 4.04.01 a) herein.

4.07.04 Absence of Quorum

The Directors in office must promptly call a special Shareholder Meeting to fill any vacancy created as a result of the absence of a quorum or the failure to elect the number or minimum number of Directors; if they fail to call a meeting or if there are no directors in office, the meeting may be called by any Shareholder.

4.07.05 Exception

If provided in the Articles, any vacancy on the Board will only be filled following a vote by the Shareholders or by the holders of any class or series of shares who have an exclusive right to fill such a vacancy.

4.07.06 Term of Office

Any Director who is appointed or elected to fill a vacancy will hold office for the unexpired term of his or her predecessor.

4.07.07 Effect of Vacancy

Notwithstanding any vacancy among the Directors, a quorum of Directors may exercise all the powers of the Board.

4.08 Remuneration

Unless otherwise provided in the Articles or, if applicable, any Unanimous Shareholder Agreement, the remuneration of the Directors is determined by a resolution adopted by the Board. Nothing in the By-laws may limit the right of a Director to receive remuneration for any other service rendered to the Corporation. The Board may, by resolution, grant remuneration to a Director for special services rendered to the Corporation in addition to the services normally rendered to the Corporation by such Director.

4.09 Reimbursement

Directors may be reimbursed for any reasonable expenses they incur in carrying out their duties. They have the right to be reimbursed for their travelling expenses and any other disbursements they incur while attending to Corporation's activities.

4.10 Board Meetings

4.10.01 Place

Board meetings will be held at the Registered Office or at any other place in Canada as decided by the President of the Corporation.

4.10.02 Annual Meetings

Each year, immediately after the annual Shareholder Meeting, the newly-elected Directors forming a quorum will hold a meeting to appoint the Officers and to attend to any other matters that may be considered by the Board.

4.10.03 Calling of Meetings

a) Frequency

Board meetings may be held at any time and will take place as often as the President or TWO (2) Directors consider necessary. The Board may designate one or more days during one or more months for Board meetings.

b) Procedure

Any notice regarding a Board meeting must be in writing and sent by the Secretary or other Officer, by any means providing proof of delivery (including email) at least seven (7) days prior to the date of the meeting.

c) Content of Notice

The notice must indicate the date, time and place of the Board Meeting as well as the agenda, which must include sufficient detail to allow the Directors to make an informed decision. The notice must also set out any questions to be resolved concerning any of the points set out in Subsection 4.02.02 herein.

4.10.04 Urgent Meeting

The President of the Corporation has the sole discretion to call a Board meeting on an urgent basis. In which case, the President may give notice to the Directors by any means at least TWENTY-FOUR (24) hours before the meeting is held, without being required to use a formal notice of meeting.

4.10.05 Waiver

A Board meeting may be validly called and held without sending prior notice of such meeting, if all the Directors expressly waive the notice of meeting. The attendance of a Director at a Board meeting that was not being formally called will constitute a waiver of notice of the meeting, except where a Director attends the meeting solely for the purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called.

4.10.06 Irregularities

A certificate signed by the Secretary or an Officer constitutes proof of the sending of a notice of meeting to the Directors.

Subject to the below Paragraph 4.10.06, any irregularities concerning the form or content of a notice of meeting will in no way affect the validity of a Board Meeting and any resolutions adopted during such meeting.

The accidental omission in the notice of meeting of one of the matters to be raised at the Board Meeting will not prevent the Directors from considering this matter.

4.11 Chair of Meeting

4.11.01 Appointment

The individual appointed as Chair of the Board or, in the latter's absence, the President of the Corporation, will preside over Board Meetings. If neither is present after the opening of such

meeting or if they refuse to act, the Directors who are present may choose a Chair of the meeting from among them.

4.11.02 Procedure

The Chair will preside over the deliberations of the Board and ensure the smooth conduct of its meetings. The Chair will also establish, in a reasonable and impartial manner, the procedure to be followed based on rules normally followed during such meetings. All decisions made by the Chair are final and bind the Directors who are present.

4.11.03 Resolution

At any Board Meeting, the declaration by the Chair that a Directors' resolution has been carried or defeated and the entry of this fact in the minutes of the meeting will, in the absence of evidence to the contrary, constitute sufficient proof without it being necessary to prove the number or proportion of votes cast in favour or against that resolution.

4.11.04 Removal

Should the Chair fail to properly carry out his or her duties, the Directors may at any time remove the Chair and replace the latter with another Director.

4.12 Secretary

At any Board Meeting, the Secretary of the Corporation or, in the latter's absence, any individual appointed by the Chair, will act as secretary of the meeting. The Secretary is responsible for drafting the minutes of each meeting and all Directors' resolutions.

4.13 Quorum

4.13.01 Minimum Threshold

Unless otherwise provided in the Act, a quorum is present if a majority of the Directors are present.

4.13.02 Duration

Quorum must be present throughout the Board Meeting.

4.14 Adjournment

4.14.01 Absence of Quorum

If the quorum is not present at the opening of a Board Meeting, the Directors present have the power, FIFTEEN (15) minutes after the scheduled time for such meeting, to adjourn the Board Meeting to another date, time and place; however, they may not consider any other matters.

4.14.02 Resumption of Shareholder Meeting

If, during the resumption of any adjourned meeting a quorum is still not present, the Board Meeting may be reconvened by sending notice after a waiting period of FIFTEEN (15) days. If, however, a quorum is present, the meeting may proceed with the business for which it was initially called.

4.14.03 Quorum Present

Any meeting at which a quorum is present may also be adjourned in the same manner as any meeting for which a quorum was not present.

4.15 Voting

4.15.01 Procedure

Each Director has the right to one vote and all matters considered by the Board must be decided by a Simple Majority of the Directors who are present. The vote will be taken by show of hands or by consent, unless a Director or the Chair of the Board demands a ballot vote. Voting by proxy is not permitted at any Board meeting.

4.15.02 Remote Participation

Any Director may attend and vote at a Board meeting by telephone or any electronic or other means of communication that is made available by the Corporation.

4.15.03 Dissent

Any Director who is present at a Board meeting is deemed to have consented to any resolutions passed during such meeting, except if that Director's dissent is entered into the minutes of the meeting. Directors who, by voting or consenting, approve the passing of a resolution are not entitled to communicate their dissent thereafter.

Any Director who was not present at a Board meeting at which a resolution was passed is deemed to have consented, except if such Director communicates its dissent within SEVEN (7) days after the meeting or after becoming aware of the resolution, by written notice sent or delivered to the Chair.

4.16 Resolution in lieu of Meeting

A resolution made in writing, signed by all the Directors, is as valid as if it had been passed at a Board Meeting in accordance with section 117(1) of the Act.

4.17 Remote Participation

Any Person who is entitled to attend a Board Meeting may do so any means of communication (telephone, electronic or other) that is made available by the Corporation and that allows all participants to communicate adequately with each other, which individual will be deemed to have attended the Board Meeting.

4.18 Duties of Directors and Officers

4.18.01 Good Faith

All Directors and Officers must, in discharging their duties, (a) act honestly and in good faith with a view to the best interests of the corporation (within the meaning of the Act) ; and (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.in accordance with the applicable law, including the Act.

4.18.02 Property of Corporation

In the course of carrying out their duties, the Directors must ensure that the Corporation's property is not be commingled with the Director's or Officer's own property, and the latter may not use any of the Corporation's property or information they obtain as a result of their duties to their advantage or to the advantage of any third party, unless expressly authorized to do so.

4.18.03 Conflict of Interest

a) Definition

For the purposes of this Subsection, “**Interest**” means any financial advantage regarding any contract or transaction that it may reasonably be considered as likely to influence any decision that must be made by a Director or Officer. Any contract or transaction also includes any proposed contract or transaction as well as any negotiations related thereto.

b) Related Person

Directors or Officers must also disclose any Interest they have in any existing or proposed contract or transaction to which the Corporation and a related Person of that Director or Officer are a party.

c) Disclosure

Unless entered into the minutes of the first Board meeting during which the existing or proposed contract or transaction is discussed, disclosure of an Interest in a contract or transaction must be made in writing and sent to the Board as soon as such Director or Officer is aware of any conflict of interest.

d) Written Notice

Such disclosure must be made in writing and must describe the value of any Interest a Director has in any existing or proposed contract or transaction to which the Corporation is a party.

e) Approval

The disclosure of any Interest must be made even if the existing or proposed contract or transaction does not require the approval of the Board.

f) Vote

The Director may not vote on the resolution presented to approve an existing or proposed contract or transaction in which that Director has an Interest or its termination, nor participate in the deliberations during which the approval, amendment or termination of such contract or transaction is discussed.

g) Quorum

If the quorum necessary to vote on the resolution presented to approve a contract or transactions is not present solely because a Director is not entitled to participate in the deliberations, the other Directors who are present are deemed to constitute a quorum for the purposes of the vote.

h) Shareholders

When all the Directors are prohibited from voting, the existing or proposed contract or transaction may be approved by only the Shareholders who are entitled to vote, by Ordinary Resolution.

4.18.04 Issuance of Shares

The Directors who, vote for or consents to, the passing of a resolution authorizing the issuance of Shares in accordance with section 25 of the Act, for consideration other than money, are solidarily liable to give the Corporation the difference between the fair equivalent of this consideration and the monetary consideration it should have received on the date of the resolution.

4.18.05 Additional Liability

The Directors who vote for or consent to a resolution authorizing any of the following transactions are solidarily liable to restore to the Corporation any amounts so distributed or paid and not otherwise recovered by the Corporation:

- a) a purchase, redemption or other acquisition of shares contrary to sections 34, 35 or 36 of the Act;
- b) a commission contrary to section 41 of the Act;
- c) a payment of a dividend contrary to section 42 of the Act;
- d) a payment of an indemnity contrary to section 124 of the Act; or
- e) a payment of a shareholder contrary to section 190 or 241 of the Act.

4.19 Board Committees

4.19.01 Creation

The Board may, by resolution, create one or more Board committees. And the number of Directors who will compose the Board committee will be set out in that resolution. A Board committee will exercise the powers it has been delegated by the Board. However, the Board may not delegate any of the powers over which it has exclusive authority under the Act and as set out in Subsection 4.02.02 of the By-law.

4.19.02 Meetings

The Board or any individual it appoints may call a meeting of the Board committee at any time by following the procedure established for calling Board meetings as set out in Section 4.10 herein. Unless otherwise determined by the Board, a committee shall have the power to elect its chairperson and establish its procedures.

4.19.03 Quorum

A majority of the members of a Board committee will constitute a quorum at any meeting thereof.

4.20 Other Committees

The Board may, if considered necessary, create any other committee composed of Directors or other individuals. A committee will have only advisory powers and each committee will determine the terms of its governance.

5.00 OFFICERS

5.01 General

The Officers of the Corporation are, as may be necessary, Chair of the Board, President of the Corporation, Secretary, Vice-president(s), Controller, Chief Executive Officer, Chief Financial Officer and Treasurer. The Board may also, by resolution, appoint any other individual as Officer.

5.02 Appointment

Each year, immediately after the annual Shareholder Meeting, the Directors will meet to appoint all the Officers. The Board may at any time appoint an individual as Officer.

5.03 Resignation

Officers may resign from their position in the Corporation at any time in the same manner as when a Director resigns from the Board, as set out in Subsection 4.06.02 herein.

5.04 Removal

The Board may remove any Officer of the Corporation in the same manner, with the necessary modifications, as if removing the Director from the Board, as set out in Subsection 4.06.03 herein.

5.05 Concurrent Positions

The same individual may occupy TWO (2) or more positions as an Officer of the Corporation, on condition that such positions are not incompatible. When the same individual holds the positions of Secretary and Treasurer, that individual may be appointed as “Secretary-Treasurer” of the Corporation.

5.06 Term of Office

Officers of the Corporation remain in office until their successors are appointed at a Board meeting, subject to Sections 5.03, 5.04 and 5.07 herein.

5.07 Vacancy and Replacement

In addition to an Officer's resignation or removal as provided under Sections 5.03 and 5.04 herein, an Officer's term of office will end in the following circumstances:

- a) at the time of the Officer's death;
- b) at any date determined by an employment contract that may exist between the Corporation and the Officer;
- c) with regard to the Officer's employment contract, if the Officer no longer has the required qualifications to be an officer.

Any vacancy occurring among the Officers of the Corporation will be filled by the Board.

5.08 Remuneration

The remuneration of the Officers of the Corporation is determined by the Board or, failing which, by the President of the Corporation, subject to the provisions of any employment agreement entered into between an Officer and the Corporation. The fact that an Officer is a Director or Shareholder does not prevent that Officer from receiving remuneration for their services as Officer.

5.09 Powers

Subject to the Articles or any Unanimous Shareholder Agreement, Officers exercise their powers relating to their respective positions as determined by the Board. Officers may also exercise all powers delegated by the Board of Directors, excluding the powers identified in Subsection 4.02.02 herein. In the event of the incapacity of an Officer to act, the powers of such Officer will be exercised by any individual appointed by the Board.

5.10 Obligations

The Officers' obligations when discharging their duties are provided under Subsections 4.18.01, 4.18.02, and 4.18.03 herein.

5.11 Chair

The Chair of the Board is appointed in accordance with Subsection 4.11.01. herein. The Chair will preside over the deliberations of the Board and ensure the smooth conduct of its meetings. The Chair will also establish, in a reasonable and impartial manner, the procedure to be followed based on rules normally followed during such meetings.

5.12 President

The President of the Corporation is responsible for the upper management of the Corporation under the supervision of the Board. The President also, generally, oversees, runs and manages

the activities of the Corporation, except for the duties reserved for Shareholders, as provided under Section 3.03 herein.

5.13 Vice-President

The Vice-president or, if applicable, Vice-presidents, will exercise the powers and perform the duties determined by the Board or by the President of the Corporation. In the event of the President's absence, incapacity or failure to act, any Vice-president may, at the discretion of the Board, exercise the powers and perform the duties of the President.

5.14 Secretary

5.14.01 Seal and Books

The Secretary of the Corporation will maintain custody of the seal as well as the Important Documents, all of which will be kept at the Registered Office. The Secretary is responsible for maintaining the Books and safeguarding the documents that the Corporation is required to keep in accordance with the Act and By-laws.

5.14.02 Board and Shareholder Meetings

The Secretary will act as secretary at all Board meetings, Board committee meetings and Shareholder Meetings. The Secretary must also ensure that all notices and documents sent in accordance with the Act and these By-laws.

5.14.03 Minutes and Resolutions

The Secretary must draft and maintain in the Books the minutes of all Board meetings, Board committee meetings and Shareholder Meetings as well as all written resolutions of the Directors and Shareholders.

5.15 Treasurer

5.15.01 Finances

The Treasurer is responsible for the Corporation's finances. The Treasurer must deposit all monies and other securities of the Corporation in the name of and to the credit of the Corporation in any bank or financial institution that the Board may determine. The Treasurer will also prepare and maintain on behalf of the Corporation adequate accounting books and registers as well as give a discharge for any sums owed by the Corporation, regardless of the source of such debt. The Treasurer must exercise the powers and perform the duties that the Board may confer by resolution or that are inherent with this position.

5.15.02 Accounting

The Treasurer must, when requested by the Board or at any predetermined time, give a detailed accounting of the financial situation of the Corporation to the Board.

5.15.03 Assistance

The Treasurer may, at the discretion of the Board, be assisted by a controller or several assistant treasurers to fulfill the duties established by the Board.

5.16 Managing Director

The Board may appoint an individual to act as a managing director as provided under Subsection 4.02.02 herein.

5.17 Chief Executive Officer

The Board may appoint chief executive officer who, under the authority of the President of the Corporation, will oversee the activities of the Corporation.

5.18 Controller

The Board may appoint the Corporation's controller, who is responsible, in collaboration with the Treasurer, for the accounting aspect of the Corporation's finances. Among other tasks, the Controller is responsible for preparing the financial statements of the Corporation.

5.19 Other Officers

The powers and duties of other officers, if any, shall be those determined by the Board.

5.20 Auditor

At each annual Shareholder Meeting, the Shareholders will appoint, by Ordinary Resolution, the Auditor of the Corporation, whose term of office will expire at the close of the next annual Shareholder Meeting or until a successor is appointed. The remuneration of the Auditor is determined by Ordinary Resolution of the Shareholders or, failing which, by the Board.

The Shareholders of a non-distributing corporation may decide by unanimous resolution not to appoint an auditor. The decision not to appoint an auditor is only valid until the next annual Shareholder Meeting.

Should the Auditor cease to perform his or her duties, for any reason whatsoever, before the next annual Shareholder Meeting, the Shareholders may fill the vacancy and appoint a replacement who will remain in office until the next annual Shareholder Meeting. The

Shareholders may also appoint more than one Auditor and require that the accounts of the Corporation be verified more than once a year.

6.00 INDEMNIFICATION

6.01 Procedure

Except as provided in Part 6.00 herein and upon a written request, the Corporation must indemnify its Directors and Officers, as well as any other individual who, at the request of the Corporation, performs similar duties, for all reasonable costs and disbursements incurred in discharging their duties, including any sums incurred in respect of any investigative, civil, penal or administrative proceeding in which such individuals are involved, on condition that they fulfilled their duties as set out in Section 4.18 herein.

6.02 Prepayment

With regard to any indemnification under Section 6.01 herein, the Corporation may, upon receiving a written request, advance funds to any individual covered by Section 6.01 so that such individual may pay the costs and disbursements to participate in any investigation or legal proceeding.

6.03 Defence

When any legal proceeding or application is brought by a third party against any Director or Officer or individual acting on behalf of the Corporation for any action taken by that person while performing their duties, the Corporation must take up the defence of that person.

6.04 Rights Under the Act

The rules set out in Part 6.00 herein are in addition to any right, immunity or protection granted to Directors, Officers and other mandataries by the Act or any other law that may apply in the circumstances.

7.00 SHARE CAPITAL

7.01 Share Issuance

Unless otherwise provided in any Unanimous Shareholder Agreement and subject to the existence of any redemption right granted to Shareholders, the Board may determine the date when Shares are issued, the Persons, including the Directors and Officers of the Corporation who may subscribe thereto, and the consideration that must be provided to acquire the Shares. In exercising this power, the Board may, by resolution, accept subscriptions, issue Shares

from the share capital of the Corporation and grant any right of conversion, any option or other right to acquire such Shares.

7.02 Commission

The Directors may authorize the Corporation to pay a reasonable commission to a Person as consideration for the purchase or the agreement to purchase Shares from the share capital of the Corporation or for having found or for having undertaken to find purchasers for such Shares.

7.03 Joint Shareholders

7.03.01 Payments

When TWO (2) or more Persons are registered in the securities register of the Corporation as joint Shareholders, each of these Persons may give a release and discharge for any dividends, capital payment and redemption payment with regard to such jointly held Shares. The joint Shareholder who acts is presumed to have been appointed as principal Shareholder by the other joint Shareholder(s).

7.03.02 Certificates

The Corporation is not required to issue more than one certificate for any Shares held jointly by several Persons. In the case of any joint holdings, the delivery of a certificate to one of the joint holders will be considered sufficient delivery to all.

7.04 Share Certificates

7.04.01 Form

The shares in the capital of the Corporation may be represented by certificates or uncertificated. To the extent shares are represented by a certificate, the certificate shall be signed by any Director or Officer of the Corporation and may be printed or otherwise mechanically reproduced on the certificate. Where any such certificate is manually countersigned by either a transfer agent or a registrar any other signature on such certificate may be printed or mechanically reproduced. In case any Officer who has signed or whose facsimile signature has been placed upon such certificate shall have ceased to be such officer before such certificate was issued, it may be issued by the Corporation with the same effect as if that individual were such officer at the date of issue.

Shares of the Corporation's may also be evidenced by registration in the holder's name in uncertificated, book-entry form. Within a reasonable time after the issuance or transfer of uncertificated shares, to the extent required by applicable law, the Corporation / transfer agent shall send to the registered owner thereof a written notice containing the information required

to be set forth or stated on certificates representing shares in the Corporation's capital. Except as otherwise expressly provided by law, the rights and obligations of the holders of shares represented by certificates and the rights and obligations of the holders of uncertificated shares of the same class and series shall be identical.

7.04.02 Replacement of Certificates

If a Shareholder certifies under oath that the latter's Share certificate was destroyed, damaged or lost and describes the circumstances surrounding the event and provides an indemnity bond that is deemed sufficient, the Secretary will issue a new certificate in exchange for a fee to be determined by the Secretary. If the Corporation has appointed a transfer agent, the Shareholder shall comply with the transfer agent's internal procedure to obtain a replacement certificate.

7.05 Dividends

7.05.01 Declaration

Subject to the Act, unless otherwise provided in any Unanimous Shareholder Agreement and on condition that the Corporation has the capacity to pay all debts as they become due and that the realizable value of its assets is not less than the aggregate of its liabilities and stated capital account, the Directors may declare and pay dividends to the Shareholders in accordance with their respective interests and rights. The Directors are in no way obligated to distribute the profits of the Corporation; as such, they may either distribute profits as dividends or maintain all or part of the profits as a reserve fund.

7.05.02 Payment

Unless otherwise requested by a Shareholder, dividends may be paid in money, property or the issuance of Shares in the Corporation.

7.05.03 Unclaimed Dividends

The right to any unclaimed dividend lapses after a period of THREE (3) years from the date it was declared, and the dividend is returned to the Corporation.

7.05.04 Compensation

The Directors may, at their discretion, allocate all or part of any declared dividend payable to a Shareholder as payment toward any debt obligation that such Shareholder owes to the Corporation.

7.06 Shareholder Rights

The Corporation must, when requested, provide any Shareholder, free of charge, with the complete document that sets out the rights, conditions and restrictions attached to their Shares.

7.07 Deceased Shareholder

In the event of the death of a Shareholder, the Corporation is not required to make the entries regarding the death nor pay any dividend or distribution payment, unless it has received all documents required under applicable law or that may reasonably be required under the circumstances by the Corporation or its transfer agent.

7.08 Transfers

All transfers of Shares in the share capital of the Corporation must be registered by the Secretary in the Corporation's share transfer register, or by the transfer agent. The registration of any such transfer of Shares in the share transfer register constitutes a valid transfer, as long as the certificates representing such Shares (when certificated) were remitted and cancelled. Any transfer of Shares that complies herewith is enforceable against third parties.

7.09 Closing of Books

The Board may set a closing date for the Books for the purpose of determining the entitlement of a Shareholder to receive any dividend or right, including the right to subscribe to Shares in the share capital of the Corporation. The chosen date may not be more than THIRTY (30) days prior to the payment of any such dividend or the allocation of any such right, and only Shareholders whose names are registered in the Books on that date are entitled to payment of any such dividend or allocation of any such right.

7.10 Transfer Agent and Registers

The Directors may appoint one or more transfer agents or one or more agents responsible for maintaining the Books, instead of the Secretary of the Corporation. Any Share certificate issued after such appointment must be countersigned by the transfer agent(s) or agent(s) responsible for maintaining the Books. The Directors have the power to subsequently remove the transfer agent or agent responsible for maintaining the Books.

8.00 IMPORTANT DOCUMENTS

8.01 Negotiable Instruments

Only an Officer has the authority to endorse any negotiable instruments on behalf of the Corporation, for deposit in the Corporation's account or for collection on its behalf through its financial institution. Such negotiable instruments may also be endorsed for collection or deposit with the financial institution of the Corporation. Any Officer may discuss, settle,

establish the balance and certify, with the financial institution of the Corporation and on its behalf, all accounting records. The Officer may also receive all cancelled cheques and sign any document that may be required in connection with the banking business of the Corporation.

8.02 Banking Arrangements

The banking business of the Corporation including without limitation, borrowing money, establishing and releasing a security interest in the Corporation's assets, will be transacted with such banks, financial institutions or other corporations or organizations that the Board may designate from time to time. And such banking business will be transacted through any power of attorney or delegation of powers that that the Board may authorize or direct from time to time.

8.03 Deposits

The funds of the Corporation may be deposited to the credit of the Corporation in any financial institution located inside or outside of Canada and that is designated for this purpose by a resolution of the Board.

The Board must submit any new by-law or any by-law amendment or repeal to the Shareholders for their approval.

The By-laws are adopted at (*city*) and come into force on,
20...., Secretary

APPENDIX “B”

Rights of dissenting shareholders

185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

- (a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;
- (b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;
- (c) amalgamate with another corporation under sections 175 and 176;
- (d) be continued under the laws of another jurisdiction under section 181; or

Note: On a day to be named by proclamation of the Lieutenant Governor, subsection 185 (1) of the Act is amended by striking out “or” at the end of clause (d) and by adding the following clauses: (See: 2017, c. 20, Sched. 6, s. 24)

(d.1) be continued under the *Co-operative Corporations Act* under section 181.1;

(d.2) be continued under the *Not-for-Profit Corporations Act, 2010* under section 181.2; or

- (e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

- (a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or
- (b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

- (a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or
- (b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder’s right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11); 2011, c. 1, Sched. 2, s. 1 (9).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

- (a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

- (b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or
- (c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10). R.S.O. 1990, c. B.16, s. 185 (14); 2011, c. 1, Sched. 2, s. 1 (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

- (a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or
- (b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,

(i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and

(ii) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

- (a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and
- (b) to be sent the notice referred to in subsection 54 (3). 2011, c. 1, Sched. 2, s. 1 (11).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

- (a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the

court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

- (a) has sent to the corporation the notice referred to in subsection (10); and
- (b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

- (a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or
- (b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

- (a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or
- (b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).

**APPENDIX “C”
OPTION PLAN**

See attached.

STOCK OPTION PLAN OF CLUNY CAPITAL CORP.

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

- (a) “Administrator” means, initially, the Chief Executive Officer of the Corporation and thereafter shall mean such director or other senior officer or employee of the Corporation as may be designated as Administrator by the Board from time to time.
- (b) “Award Date” means the date on which the Board awards a particular Option.
- (c) “Board” means the board of directors of the Corporation or any committee thereof to which the board of directors of the Corporation has delegated the power to administer and grant Options under the Plan.
- (d) “Cause” means:
 - (i) in the case of an Employee or Officer: (1) cause as such term is defined in the written employment agreement with the Employee or Officer or if there is no written employment agreement or cause is not defined therein, the usual meaning of just cause under the common law or the laws of the jurisdiction in which the employee is employed; or (2) the termination of employment as a result of an order made by any Regulatory Authority having jurisdiction to so order;
 - (ii) in the case of a Consultant: (1) the occurrence of any event which, under the written consulting contract with the Consultant or the common law or the laws of the jurisdiction in which the Consultant provides services, gives the Corporation or any of its affiliates the right to immediately terminate the consulting contract; or (2) the termination of the consulting contract as a result of an order made by any Regulatory Authority having jurisdiction to so order; or
 - (iii) in the case of a Director, ceasing to be a Director as a result of: (1) ceasing to be qualified pursuant to section 118(1) of the *Business Corporations Act (Ontario)*; (2) a resolution having been passed under section 122 of the *Business Corporations Act (Ontario)* or by the resolution or method specified in the Corporation’s Articles; or (3) an order made by any Regulatory Authority having jurisdiction to so order.
- (e) “Change of Control” means and shall be deemed to have occurred if one of the following events takes place:

- (i) the sale, transfer or other disposition of all or substantially all of the Corporation's assets in complete liquidation or dissolution of the Corporation;
 - (ii) the Corporation amalgamates or enters into a plan of arrangement with another Corporation at arm's length to the Corporation and its affiliates, other than an amalgamation or plan of arrangement that would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or resulting entity) more than 50% of the combined voting power of the surviving or resulting entity outstanding immediately after such amalgamation or plan of arrangement; or
 - (iii) any Person or combination of Persons at arm's length to the Corporation and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Corporation, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect.
- (f) "Common Share" or "Common Shares" means, as the case may be, one or more common shares without par value in the capital of the Corporation.
- (g) "Corporation" means Cluny Capital Corp., a corporation incorporated under the *Business Corporations Act (Ontario)*.
- (h) "Consultant" has the meaning given to that term in National Instrument 45-106 – *Prospectus and Registration Exemptions*, and for the purposes of the Plan includes consultants of the Corporation and any related entity of the Corporation including any consultant companies of the Corporation and any related entity of the Corporation.
- (i) "consultant corporation" means for an individual consultant, a corporation or partnership of which the individual is an employee, shareholder or partner.
- (j) "Director" means the directors of the Corporation, and for purposes of the Plan includes directors of any related entity of the Corporation.
- (k) "Eligible Persons" means Directors, Officers, Employees and Consultants.
- (l) "Employee" means an employee of the Corporation and any Related Entity of the Corporation.
- (m) "Exercise Notice" means the notice respecting the exercise of an Option, in the form set out as Appendix "B" hereto, duly executed by the Option Holder.
- (n) "Exercise Period" means the period during which a particular Option may be exercised and is the period from and including the Award Date through to and including the Expiry Date.

- (o) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with paragraph 3.5.
- (p) "Expiry Date" means the date determined in accordance with paragraph 3.4 and after which a particular Option cannot be exercised.
- (q) "Expiry Period" has the meaning given to that term under paragraph 3.4(b).
- (r) "Fixed Expiry Date" has the meaning given to that term under paragraph 3.4.
- (s) "insider" has the meaning given to that term in the *Securities Act* (Ontario).
- (t) "Market Price" of the Common Shares for a particular Award Date shall be determined as follows:
 - (i) for each organized trading facility on which the Common Shares are listed, Market Price shall be the closing trading price of the Common Shares on the last trading day immediately preceding the Award Date;
 - (ii) if the Common Shares are listed on more than one organized trading facility, then Market Price shall be the greater of the Market Prices determined for each organized trading facility on which those Common Shares are listed as determined for each organized trading facility in accordance with section (i) above;
 - (iii) if the Common Shares are listed on one or more organized trading facility but have not traded during the 10 trading day period immediately preceding the Award Date, then the Market Price shall be, subject to the necessary approvals of the applicable Regulatory Authorities, such value as is determined by resolution of the Board; and
 - (iv) if the Common Shares are not listed on any organized trading facility, then the Market Price shall be, subject to the necessary approvals of the applicable Regulatory Authorities, the fair market value of the Common Shares on the Award Date as determined by the Board in its discretion.
- (u) "Management Corporation Employee" means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in investor relations activities.
- (v) "Officer" means an officer of the Corporation or Management Corporation Employee, and for the purposes of the Plan includes officers and Management Corporation Employees of the Corporation and any related entity of the Corporation.
- (w) "Option" means an option to acquire Common Shares, awarded to an Eligible Person pursuant to the Plan.
- (x) "Option Certificate" means the certificate, in the form set out as Appendix "A" hereto, evidencing an Option.

- (y) “Option Holder” means a Person who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person.
- (z) “Other Share Compensation Arrangement” means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Corporation by way of loan, guarantee or otherwise.
- (aa) “Person” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, Corporation or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency or entity however designated or constituted.
- (bb) “Personal Representative” means:
 - (i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and
 - (ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder.
- (cc) “Plan” means this stock option plan.
- (dd) “Regulatory Authorities” means all stock exchanges, inter-dealer quotation networks and other organized trading facilities on which the Corporation’s Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation.
- (ee) “Related Entity” has the meaning given to that term in National Instrument 45-106 – *Prospectus and Registration Exemptions*.
- (ff) “Securities Laws” means securities legislation, securities regulations and securities rules, as amended, and the instruments, forms, notices and policy documents in force from time to time that are applicable to the Corporation.
- (gg) “Share” or “Shares” means, as the case may be, one or more shares of any class in the share capital of the Corporation from time to time.
- (hh) “Termination Date” means:
 - (i) in the case of the Option Holder’s resignation from employment or the termination of the Option Holder’s consulting contract by the Option Holder, the date that the Option Holder provides notice of such resignation or termination to the Corporation or any of its affiliates; or

- (ii) in the case of the termination of the Option Holder's employment or consulting contract by the Corporation or any of its affiliates for any reason (whether such termination is lawful or unlawful) other than death, the date that the Corporation or any of its affiliates delivers written notice of such lawful or unlawful termination of the Option Holder's employment or consulting contract to the Option Holder; or
- (iii) in the case of the expiry of a fixed-term employment agreement or consulting contract that is not renewed or extended, the last day of the term.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2 PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Officers, Consultants and Employees, to reward such of those Directors, Officers, Consultants and Employees as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Corporation and to enable and encourage such Directors, Officers, Consultants and Employees to acquire Common Shares as long term investments.

2.2 Participation

The Board shall, from time to time and in its sole discretion, determine which of the Eligible Persons, if any, shall be awarded Options. The Board shall only award an Option to a Consultant, Employee or Management Corporation Employee if the Consultant, Employee or Management Corporation Employee is a bona fide Consultant, Employee or Management Corporation Employee of the Corporation or an affiliate of the Corporation, and the Corporation shall make such a representation if required by the Regulatory Authorities. The Board may, in its sole discretion, grant the majority of the Options to insiders of the Corporation. However, in no case shall:

- (a) the number of Options awarded in a one-year period to any one Consultant exceed 2% of the issued Shares of the Corporation (calculated at the time of award);
- (b) the number of Options awarded in a one-year period to any one individual exceed 5% of the outstanding Shares of the Corporation (calculated at the time of award), unless disinterested shareholder approval has been obtained;

- (c) the aggregate number of Options awarded in a one-year period to Persons employed to provide investor relations services exceed 2% of the issued Shares of the Corporation (calculated at the time of award);
- (d) the exercise price of Options be reduced in price if the Optionee is an Insider of the Issuer at the time of the proposed amendment, unless disinterested shareholder approval has been obtained;
- (e) the aggregate number of Options awarded to insiders under the Plan and any previously established and outstanding stock option plans or grants in a one-year period exceed 10% of the issued Shares of the Corporation (calculated at the time of award), unless disinterested shareholder approval has been obtained; or
- (f) the aggregate number of Common Shares reserved for issuance to insiders upon the exercise of Options awarded under the Plan and any previously established and outstanding stock option plans or grants, exceed 10% of the issued Shares of the Corporation (calculated at the time of award), unless disinterested shareholder approval has been obtained.

2.3 Notification of Award

Following the award of an Option by the Board, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director or Officer the right to serve or continue to serve as a Director or Officer of the Corporation or any of its affiliates nor does it give any Option Holder that is an Employee or Consultant the right to be or to continue to be employed with or have a consulting relationship with the Corporation or any of its affiliates.

2.6 Options Granted To Corporations

Except in relation to consultant corporations, Options may only be granted to an individual or a corporation that is wholly-owned by Eligible Persons. If a corporation is an Option Holder, it must provide the TSX Venture Exchange with a completed *Form 4F – Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the TSX Venture Exchange.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Issue Common Shares

The Common Shares to be issued to Option Holders upon the exercise of Options shall be authorized and unissued Common Shares the issuance of which shall have been authorized by the Board.

3.2 Number of Common Shares

The aggregate number of Common Shares that may be reserved for issuance pursuant to Options shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, less the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement. Until such time as the Corporation is no longer a capital pool company under Policy 2.4 – *Capital Pool Companies*, the Corporation may only reserve for issuance such number of Common Shares as is equal to 10% of the Common Shares outstanding at the time of listing the Common Shares on the TSX Venture Exchange. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares in respect of which the option was not exercised shall be available for the purposes of the Plan. Any exercises of Options will make new grants available under the Plan, effectively resulting in a re-loading of the number of Options available for grant under the Plan.

3.3 Term of Option

Subject to such other terms or conditions that may be attached to an Option granted hereunder, an Option Holder may exercise any vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 5:00 p.m. local time in Toronto, Ontario on the Expiry Date.

3.4 Termination

Subject to subparagraphs (a) to (e) below, the Expiry Date of an Option shall be the date fixed by the Board at the time the particular Option is awarded (the "Fixed Expiry Date"), provided that the Expiry Date shall be no later than the date that is 10 years following the Award Date of such Option:

(a) Death

If the Option Holder dies while his or her Option is outstanding, then the following shall apply, the Expiry Date for any vested portion or portions of the Option shall be the earlier of the Fixed Expiry Date and the date that is 12 months after the date of the Option Holder's death. The Expiry Date for any unvested portion of the Option shall be the date of the Option Holder's death. The right to purchase Common Shares under an Option shall not vest after the date of the Option Holder's death.

(b) Ceasing to be a Director or Officer

If the Option Holder holds an Option as a Director or Officer and the Option Holder ceases to be a Director or Officer (other than by reason of death), then the following shall apply. The Expiry Date for any vested portion or portions of the Option shall be the earlier of the Fixed Expiry Date and the date that is 90 days after the Option Holder ceases to be a Director and Officer (or, in the case of persons who are Directors and Officers of the Corporation at the time that the Common Shares are listed on the TSX Venture Exchange only, such longer period as may be permitted under Policy 2.4 – *Capital Pool Companies* (the “Expiry Period”). Notwithstanding the foregoing, if the Option Holder ceases to be a Director or Officer for Cause, the Expiry Date shall be the date that the Option Holder ceases to be a Director or Officer. The Expiry Date for any unvested portion of the Option shall be the date that the Option Holder ceases to be a Director or Officer. The right to purchase Common Shares under an Option shall not vest after the date that the Option Holder ceases to be a Director or Officer.

(c) Ceasing to be an Employee or Consultant

If the Option Holder holds an Option as an Employee or Consultant and the Option Holder ceases to be an Employee or Consultant (other than by reason of death), then the following shall apply. The Expiry Date for any vested portion or portions of the Option shall be the earlier of the Fixed Expiry Date and the date that is 90 days after the Option Holder ceases to be an Employee or Consultant. Notwithstanding the foregoing, if the Option Holder ceases to be an Employee or Consultant for Cause, the Expiry Date shall be the Termination Date. The Expiry Date for any unvested portion of the Option shall be the Termination Date. The right to purchase Common Shares under an Option shall not vest after the Termination Date. For greater certainty, if the Corporation gives an Employee or Consultant working notice of termination of employment or the consulting contract or payment in lieu of notice or if the Corporation wrongfully or constructively dismisses the Employee or Consultant, no vesting shall occur during the working notice period or deemed notice period that the Employee or Consultant receives or should have received. The Expiry Period shall commence on the first day of such working notice period or deemed notice period.

(d) Change of Control

In the event of a Change of Control or impending Change of Control, the Board may, subject to any necessary prior written approval of the Regulatory Authorities, in its sole discretion, deal with outstanding Options in the manner it deems fair and reasonable in light of the circumstances. Without limiting the generality of the foregoing, the Board may, without any action or consent required on the part of any Option Holder:

- (i) deliver a notice to the Option Holder advising the Option Holder that the unvested portion of the Option held by the Option Holder, if any, shall immediately vest;
- (ii) deliver a notice to an Option Holder advising the Option Holder that the Expiry Date for any vested portion or portions of the Option shall be the earlier of the Fixed Expiry Date and the day that is 10 days following the

date of the notice and the Expiry Date for any unvested portion of the Option shall be the date of the notice; or

- (iii) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

(e) **Black-out Period**

If an Option expires during a Black-Out Period, then, notwithstanding any other provision of the Plan, the Option shall expire 10 business days after the Black-Out Period is lifted by the Corporation. For the purposes hereof, a "Black-Out Period" means that period during which a trading black-out period is imposed by the Corporation to restrict trades in the Corporation's securities by an Option Holder.

The foregoing subparagraphs (b) and (c) shall only apply once an Option Holder ceases to fall into any of the categories of Eligible Persons. The Board and the Administrator shall look to which of the definitions of Employee, Director, Officer or Consultant the Option Holder met immediately prior to the Option Holder ceasing to be an Eligible Person to determine which of subparagraphs (b) or (c) shall apply. If the Option Holder met more than one definition, then the following shall apply. If the Option Holder was an Employee or Consultant, then the Option Holder shall be deemed to hold his or her Option as an Employee or Consultant regardless of whether the Option Holder was also a Director or Officer.

3.5 Exercise Price

The price at which an Option Holder may purchase a Common Share upon the exercise of an Option shall be as set forth in the Option Certificate issued in respect of such Option and in any event shall not be less than the Market Price of the Common Shares as of the Award Date. Notwithstanding anything else contained herein, in no case shall the Exercise Price be less than the minimum prescribed by each of the organized trading facilities as would apply to the Award Date in question.

3.6 Additional Terms

Subject to all applicable Securities Laws and the rules and policies of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the award of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, providing that an Option or a portion or portions of an Option expire on a certain date, after certain periods of time or upon the occurrence of certain events other than as provided for herein, provided that no Option shall expire more than ten years after the Award Date.

3.7 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.8 Adjustments

If:

- (a) the Common Shares are changed into or exchanged for a different number or kind of Shares of the Corporation or securities of another corporation, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation;
- (b) a dividend is declared upon the Common Shares, payable in Common Shares (other than in lieu of dividends paid in the ordinary course);
- (c) the Corporation distributes by way of a dividend, or otherwise, to all or substantially all holders of Common Shares, property, evidences of indebtedness or Shares or other securities of the Corporation (other than Common Shares) or rights, options or warrants to acquire Common Shares or securities convertible into or exchangeable for Common Shares or other securities or property of the Corporation, other than as a dividend in the ordinary course; or
- (d) there is any other change that the Board, in its sole discretion, determines equitably requires an adjustment to be made, then, subject to any required action by the shareholders of the Corporation and any necessary approval of the Regulatory Authorities, any term that the Board determines requires adjustment (including the number of Common Shares subject to each outstanding Option and the number of Common Shares that have been authorized for issuance under the Plan but as to which no Options have yet been granted or that have again become available for the purposes of the Plan, the Exercise Price of each outstanding Option, as well as any other terms that the Board determines require adjustment) shall be adjusted by the Board in the manner the Board deems appropriate and its determination shall be final, binding and conclusive. Except as the Board determines, no issuance by the Corporation of Shares of any class, or securities convertible into Shares of any class, shall affect, and no adjustment by reason thereof shall be made with respect to, the number or Exercise Price of Common Shares subject to an Option. No fractional shares shall be issued upon the exercise of an Option and accordingly, if as a result of the adjustment, an Option Holder would become entitled to a fractional Common Share, such Option Holder shall have the right to purchase only the next lowest whole number of Common Shares and no payment or other adjustment shall be made with respect to the fractional interest so disregarded.

3.9 Vesting

The Board, subject to the policies of the TSX Venture Exchange, may determine and impose terms upon which an Option shall become vested and exercisable. Unless otherwise specified by the Board at the time of the Option award, and subject to such other limits as may be imposed by TSX Venture Exchange policies from time to time, all Options granted under the Plan shall vest and become exercisable in full upon grant.

Notwithstanding the foregoing, Options awarded to Consultants performing investor relations activities must vest in stages over 12 months with no more than one-quarter vesting in any three month period.

3.10 Personal Information Form and Monitoring of Trading

An Option Holder who becomes a new insider of the Corporation or who is undertaking investor relations activities must file a Personal Information Form or such other documents as may be required by the Regulatory Authorities. An Option Holder who performs investor relations activities must comply with all procedures established by the Board or the Regulatory Authorities to monitor the Option Holder's trading in the securities of the Corporation.

ARTICLE 4 EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. An Option Holder or the Personal Representative of the Option Holder may exercise the vested portion or portions of an Option in whole or in part at any time or from time to time during the Exercise Period up to 5:00 p.m. local time in Toronto, Ontario on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Common Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Common Shares purchased by the Option Holder. If the number of Common Shares in respect of which the Option was exercised is less than the number of Common Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the share certificate for the balance of the Common Shares available under the Option.

4.3 Condition of Issue

The Options and the issue of Common Shares by the Corporation pursuant to the exercise of Options are subject to the terms and conditions of the Plan and compliance with the rules and policies of all applicable Regulatory Authorities with respect to the granting of such Options and the issuance and distribution of such Common Shares, and to all applicable Securities Laws. The Option Holder agrees to comply with all such laws, regulations, rules and policies and agrees to furnish to the Corporation any information, reports or undertakings required to comply with, and to fully cooperate with, the Corporation in complying with such laws, regulations, rules and policies.

4.4 Taxes

The Board and the Corporation may take all such measures as they deem appropriate to ensure that the Corporation's obligations under the withholding provisions under income tax laws applicable to the Corporation and other provisions of applicable laws are satisfied with respect to the issuance of Common Shares pursuant to the Plan or the grant or exercise of Options under the Plan. Issuance of Common Shares or delivery of share certificates for Common Shares purchased pursuant to the Plan may be delayed, at the discretion of the Board, until the

Board is satisfied that the applicable requirements of income tax laws and other applicable laws have been met.

ARTICLE 5 ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any director, officer or employee of the Corporation such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Corporation.

ARTICLE 6 AMENDMENT, TERMINATION AND NOTICE

6.1 Amendments

The Board may, subject to the approval of any regulatory authority whose approval is required and the approval of shareholders where required by such regulatory authority, amend the Plan or any Option at any time. Without limiting the generality of the foregoing, the Board is specifically authorized to amend the terms of the Plan or any Option without obtaining the approval of shareholders in the following circumstances, subject to any limitations that may be prescribed by the policies of the TSX Venture Exchange from time to time:

- (a) amendments of a "housekeeping" nature including, but not limited to, of a clerical, grammatical or typographical nature;
- (b) to correct any defect, supply any information or reconcile any inconsistency in the Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of the Plan;
- (c) a change to the vesting provisions of any Option or the Plan;
- (d) amendments to reflect any changes in requirements of any Regulatory Authority to which the Corporation is subject;
- (e) a change to the termination provisions of an Option which does not result in an extension beyond the original term of the Option;

- (f) in the case of any Option, the substitutions and/or adjustments contemplated under section 3.8 of this Plan; and
- (g) a change to the class of Eligible Persons that may participate under the Plan,

provided that, in the case of any Option, no such amendment may, without the consent of the Option Holder, materially decrease the rights or benefits accruing to such Option Holder or materially increase the obligations of such Option Holder. Notwithstanding the foregoing, shareholder approval shall be required in respect of:

- (a) any amendments to the number of Common Shares (or other securities) issuable under the Plan;
- (b) any amendment which reduces the exercise price of an option that is held by an Insider;
- (c) any amendment extending the term of an option held by an Insider beyond its original expiry date except as otherwise permitted by the Plan; and
- (d) amendments required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the Exchange).

Where shareholder approval is sought for amendments under subsections (b) or (c) above, the votes attached to Common Shares held directly or indirectly by Insiders benefiting from the amendment will be excluded.

6.2 Amendment Subject to Approval

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

6.3 Approvals

The Plan and any amendments hereto are subject to all necessary approvals of the applicable Regulatory Authorities and shareholders.

6.4 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Plan.

6.5 Agreement

The Corporation and every Option awarded hereunder shall be bound by and subject to the terms and conditions of the Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Corporation to be bound by the terms and conditions of the Plan.

6.6 Notice

Any notice or other communication contemplated under the Plan to be given by the Corporation to an Option Holder shall be given by the Corporation delivering or faxing the notice to the Option Holder at the last address for the Option Holder in the Corporation's records. Any such notice shall be deemed to have been given on the date on which it was delivered, or in the case of fax, the next business day after transmission. An Option Holder may, at any time, advise the Corporation of a change in the Option Holder's address or fax number.

APPENDIX "A"
TO THE STOCK OPTION PLAN OF
CLUNY CAPITAL CORP.

STOCK OPTION PLAN
OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the Cluny Capital Corp. (the "Corporation") Stock Option Plan (the "Plan") and evidences that ● is the holder (the "Option Holder") of an option (the "Option") to purchase up to ● Common shares (the "Common Shares") in the capital stock of the Corporation at a purchase price of Cdn. \$● per Common Share.

Subject to the provisions of the Plan:

- (a) the Award Date of the Option is ●;
- (b) the Fixed Expiry Date of the Option is ●; and
- (c) the Expiry Period is ●.

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the Award Date through to 5:00 p.m. local time in Toronto, Ontario on the Expiry Date by delivering to the Administrator of the Plan an Exercise Notice, in the form attached, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Common Shares in respect of which the Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

The Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this ● day of ●.

CLUNY CAPITAL CORP.

Per:

Authorized Signatory

OPTION CERTIFICATE - SCHEDULE

The additional terms and conditions attached to the Option represented by this Option Certificate are as follows:

1. ●; and
2. ●.

CLUNY CAPITAL CORP.

Per:

Authorized Signatory

APPENDIX "B"
TO THE STOCK OPTION PLAN OF
CLUNY CAPITAL CORP.

STOCK OPTION PLAN
EXERCISE NOTICE

TO: Cluny Capital Corp. (the "Corporation")

The undersigned hereby irrevocably gives notice, pursuant to the Corporation's Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for **(cross out inapplicable item)**:

(a) all of the Common Shares; or

(b) _____ of the Common Shares;
which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft **(circle one)** payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid Common Shares exercised and directs the Corporation to issue the certificate evidencing said Common Shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this Exercise Notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

DATED the _____ day of _____, _____.

Signature of Option Holder

APPENDIX “D”
AUDIT COMMITTEE CHARTER

See attached.

AUDIT COMMITTEE CHARTER OF CLUNY CAPITAL CORP.

CLUNY CAPITAL CORP. (the “Corporation”)

AUDIT COMMITTEE CHARTER

I. PURPOSE

The primary function of the Audit Committee of the Corporation (the “**Committee**”) is to assist the Board of Directors of the Corporation (the “**Board**”) in fulfilling its oversight responsibilities by reviewing:

1. the financial information that will be provided to the shareholders and others;
2. the systems of internal controls which management and the Board have established; and
3. all audit processes.

Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is overseen by the Board.

II. COMPOSITION AND PROCESS

1. The Committee shall be composed of a minimum of three directors, a majority of whom shall be independent as that term is defined in National Instrument 52-110 *Audit Committees* (“**NI 52-110**”).
2. Members shall be appointed by the Board on an annual basis, shall serve one-year terms and may serve consecutive terms, which are encouraged to ensure continuity of experience.
3. The Chair of the Committee shall be appointed by the Board for a one-year term, and may serve any number of consecutive terms.
4. All members of the Committee shall be financially literate. Financial literacy is the ability to read and understand a balance sheet, income statement and cash flow statement that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.
5. The Chair shall, in consultation with management and the external auditor and internal auditor (if any), establish the agenda for the meetings and ensure that properly prepared agenda materials are circulated to the members with sufficient time for study prior to the meeting. The external auditor will also receive notice of all meetings of the Committee. The Committee may employ a list of prepared questions and considerations as a portion of its review and assessment process.
6. The Committee shall try to meet at least four times per year and may call special meetings as required. A quorum at meetings of the Committee shall be its Chair and one of its other members. The Committee may hold its meetings, and members of the Committee may attend meetings, by telephone conference if this is deemed appropriate.

7. The minutes of the Committee meetings shall accurately record the decisions reached and shall be distributed to Committee members with copies to the Board, the President (if any), the Chief Executive Officer (if any) and the Chief Financial Officer (if any).
8. The Committee reviews, prior to their presentation to the Board and their release, all material financial information required by securities regulations.
9. The Committee enquires about potential claims, assessments and other contingent liabilities.
10. The Committee periodically reviews with management, depletion, depreciation and amortization policies, loss provisions and other accounting policies for appropriateness and consistency.
11. The Charter of the Committee shall be reviewed by the Board on a bi-annual basis or as the Board deems appropriate.

III. AUTHORITY

1. The Committee is appointed by the Board pursuant to provisions of the *Business Corporations Act* (Ontario) and the bylaws of the Corporation.
2. Primary responsibility for the Corporation's financial reporting, accounting systems and internal controls is vested in senior management and is overseen by the Board. The Committee is a standing committee of the Board established to assist it in fulfilling its responsibilities in this regard. The Committee shall have responsibility for overseeing management reporting on internal controls. While it is management's responsibility to design and implement an effective system of internal control, it is the responsibility of the Committee to ensure that management has done so.
3. In fulfilling its responsibilities, the Committee shall have unrestricted access to the Corporation's personnel and documents and will be provided with the resources necessary to carry out its responsibilities.
4. The Committee shall have direct communication channels with the internal auditors (if any) and the external auditors to discuss and review specific issues as appropriate.
5. The Committee shall have the sole authority to retain (or terminate) advisors or consultants as it determines necessary to assist the Committee in discharging its functions hereunder. The Committee shall establish the compensation to be paid to any advisors employed by the Committee and such compensation shall be paid by the Corporation as directed by the Committee.

IV. RELATIONSHIP WITH EXTERNAL AUDITORS

1. An external auditor must report directly to the Committee.
2. The Committee is directly responsible for overseeing the work of the external auditor including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. The Committee shall implement structures and procedures to ensure that it meets with the external auditor on a regular basis and in any event at least once per year in the absence of management.

V. ACCOUNTING SYSTEMS, INTERNAL CONTROLS AND PROCEDURES

1. The Committee shall obtain reasonable assurance from discussions with and/or reports from management, and reports from external auditors that accounting systems are reliable and that the prescribed internal controls are operating effectively for the Corporation and its subsidiaries and affiliates.
2. The Committee shall review to ensure to its satisfaction that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements and will periodically assess the adequacy of those procedures.
3. The Committee shall direct the external auditor's examinations to particular areas.
4. The Committee will review control weaknesses identified by the external auditors, together with management's response and review with external auditors their view of the qualifications and performance of the key financial and accounting executives.
5. In order to preserve the independence of the external auditor, the Committee will:
 - (a) recommend to the Board the external auditor to be nominated;
 - (b) recommend to the Board the compensation for the external auditors' engagement; and
 - (c) review and pre-approve any engagements for non-audit services to be provided by the external auditors or its affiliates, together with estimated fees, and consider the impact (if any) on the independence of the external auditor.
6. The Committee will review with management and with the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgments of management that may be material to financial reporting.
7. The Committee shall establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and the confidential anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.
8. The Committee shall establish a periodic review procedure to ensure that the external auditor complies with the Canadian Public Accountability Regime under National Instrument 52-108 – **Auditor Oversight**.

VI. STATUTORY AND REGULATORY RESPONSIBILITIES

1. Annual Financial Information: review the annual audited financial statements and related management's discussion and analysis ("**MD&A**"), including any Letter to Shareholders, and related press releases (if any) if same contains material information and recommend their approval to the Board, after discussing matters such as the selection of accounting policies (and changes thereto), major accounting judgments, accruals and estimates with management and the external auditor.
2. Annual Report: review the MD&A section and all other relevant sections of the annual report, if prepared, to ensure consistency of all financial information included in the annual report.

3. Interim Financial Statements: review the quarterly interim financial statements and related MD&A, including any Letter to Shareholders and related press releases (if any) and recommend their approval to the Board.
4. Earnings Guidance/Forecasts: review forecasted financial information and forward-looking statements.

VII. REPORTING

1. The Committee will report, through the Chairperson of the Committee, to the Board following each meeting on the major discussions and decisions made by the Committee, and report annually to the Board on the Committee's responsibilities and how it has discharged them.
2. The Committee will review and reassess this Audit Committee Charter annually and recommend any proposed amendments to the Board.

VIII. OTHER RESPONSIBILITIES

1. Investigating fraud, illegal acts or conflicts of interest.
2. Discussing selected issues with corporate counsel or the outside auditor or management.

