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CNNC INTERNATIONAL LIMITED

中 核 國 際 有 限 公 司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2302)

ANNOUNCEMENT ON CIRCULAR BY WESTERN PROSPECTOR GROUP LTD.

This announcement is made pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The full text of the following circular was published by Western Prospector Group Ltd., a company incorporated in Canada having its issued shares listed on the TSX Venture Exchange, and an indirect non wholly-owned subsidiary of CNNC International Limited, on the website of the TSX Venture Exchange and its own website on 20 July 2009 (Toronto time). Please refer to the attached circular on the next page.

Hong Kong, 21 July 2009

As of the date of this announcement, the board of directors of the Company comprises non-executive director and chairman, namely, Mr. Qiu Jiangang, executive directors, namely, Mr. Han Ruiping and Mr. Xu Hongchao, non-executive director, namely, Mr. Huang Mingang and independent non-executive directors, namely, Mr. Cheong Ying Chew Henry, Mr. Cui Liguo and Mr. Zhang Lei.

* *For identification purpose only*

This Management Information Circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult a professional advisor.

WESTERN PROSPECTOR GROUP LTD.

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON AUGUST 14, 2009

AND

MANAGEMENT INFORMATION CIRCULAR

July 16, 2009

WESTERN PROSPECTOR GROUP LTD.

601 West Broadway, Suite 400, Vancouver, British Columbia V5Z 4C2

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT a special meeting (the "**Meeting**") of the shareholders of Western Prospector Group Ltd. ("**Western**" or the "**Corporation**") will be held at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8 on the 14th day of August, 2009 at the hour of 10:00 a.m. (Vancouver time), for the following purposes:

1. to consider and, if deemed advisable, to pass a special resolution (the "**Amalgamation Resolution**") (the full text of the special resolution is set out in Appendix "A" to the accompanying Management Information Circular), authorizing the Corporation to approve the amalgamation of Western with 0856656 B.C. Ltd. ("**Subco**"), a wholly-owned subsidiary of First Development Holdings Corporation, which acquired approximately 69% of the issued and outstanding common shares of Western ("**Western Shares**") pursuant to an offer for all of the issued and outstanding Western Shares by way of a take-over bid that had expired on June 29, 2009 (the "**Offer**");

2. to transact such further or other business as may properly come before the Meeting or any adjournment or postponement thereof.

The board of directors of the Corporation (the "**Board**") has fixed July 13, 2009 as the record date for determining shareholders of the Corporation who are entitled to receive notice of and to vote at the Meeting. Only shareholders of record of the Corporation on July 13, 2009 are entitled to receive notice of the Meeting and to attend and vote at the Meeting. This notice of the Meeting (the "**Notice**") is accompanied by a Management Information Circular (the "**Circular**"), a form of proxy and a letter of transmittal. The specific details of the matters to be put before the Meeting as identified above are set forth in the Circular accompanying and forming part of this Notice. This Notice and Circular have been sent to each director of the Corporation, each shareholder of the Corporation entitled to notice of the Meeting and to the auditor of the Corporation.

Registered holders of the Corporation's common shares who are unable to attend the Meeting in person are requested to complete, date, sign and deposit the enclosed form of proxy with the Corporation, c/o Computershare Investor Services Inc., Proxy Dept, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 (by fax: 1-866-249-7775 (Toll Free North America) or 416-263-9524 (International)), prior to 5:00 p.m. (Toronto time) on August 12, 2009, or, if the Meeting is adjourned or postponed, not less than 48 hours prior to the start of such adjourned or postponed meeting. Non-registered holders of the Corporation's common shares should complete and return the voting instruction form or other authorization provided to them in accordance with the instructions provided therein. Failure to do so may result in your shares of the Corporation not being voted at the Meeting.

Registered holders of Western Shares who validly dissent from the Amalgamation Resolution will be entitled to be paid the fair value of their Western Shares, subject to strict compliance with section 272 and Division 2 of Part 8 of the *Business Corporations Act (British Columbia* ("BCBCA"). This right is summarized in Appendix "C" to the Circular. Failure to adhere strictly to the requirements set out in section 272 and Division 2 of Part 8 of the BCBCA may result in the loss or unavailability of any right to dissent.

The Circular provides additional information relating to the matters to be dealt with at the Meeting and should be reviewed carefully by shareholders of the Corporation. Any adjourned or postponed meeting resulting from an adjournment or postponement of the Meeting will be held at a time and place to be specified either by the Corporation before the Meeting or by the Chair at the Meeting.

DATED the 16th day of July, 2009.

BY ORDER OF THE BOARD

(signed) "*Dr. Sheng Zhan*"
Dr. Sheng Zhan
Executive Vice-President and Director

WESTERN PROSPECTOR GROUP LTD.

MANAGEMENT INFORMATION CIRCULAR

THE MEETING

Date, Time and Place of the Special Meeting

The special meeting of the common shareholders (the "**Meeting**") of Western Prospector Group Ltd. ("**Western**" or the "**Corporation**") will be held on August 14, 2009 at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8 at 10:00 a.m. (Vancouver time).

Record Date

The record date for determining persons entitled to receive notice of and vote at the Meeting is July 13, 2009 (the "**Record Date**"). Shareholders of record as at the close of business on such date will be entitled to attend and vote at the Meeting, or any adjournment or postponement thereof, in the manner and subject to the procedures described in this Management Information Circular (the "**Circular**").

SOLICITATION OF PROXIES

This Circular, which is dated July 16, 2009, is furnished in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting to be held at the time and place and for the purposes set forth in the attached notice of meeting (the "Notice"). It is expected that the solicitation of proxies will be by mail primarily, but proxies may also be solicited personally by the directors and management of the Corporation. The cost of such solicitation will be borne by the Corporation.

APPOINTMENT AND DEPOSIT OF PROXIES

Each person named in the enclosed form of proxy is an officer or director of the Corporation.

A REGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM OR HER AND ON HIS OR HER BEHALF AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY. SUCH RIGHT MAY BE EXERCISED BY STRIKING OUT THE NAMES OF THE PERSONS DESIGNATED IN THE FORM OF PROXY AND BY INSERTING IN THE BLANK SPACE PROVIDED FOR THAT PURPOSE THE NAME OF THE DESIRED PERSON OR BY COMPLETING ANOTHER PROPER FORM OF PROXY AND, IN EITHER CASE, DELIVERING THE COMPLETED AND EXECUTED PROXY TO THE CORPORATION: C/O COMPUTERSHARE INVESTOR SERVICES INC., PROXY DEPT., 100 UNIVERSITY AVENUE, 9TH FLOOR, TORONTO, ONTARIO, M5J 2Y1 (BY FAX: 1-866-249-7775 TOLL FREE NORTH AMERICA OR INTERNATIONAL 416-263-9524), AT ANY TIME PRIOR TO 5:00 P.M. (TORONTO TIME) ON THE 12th DAY OF AUGUST, 2009.

A shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

REVOCATION OF PROXIES

A shareholder who has given a proxy may revoke it at any time by instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized, and deposited with the Corporation: c/o Computershare Investor Services Inc., Proxy Dept., 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1 (by fax: 1-866-249-7775 (Toll Free North America)

or 416-263-9524 (International)), at any time prior to 5:00 p.m. (Toronto time) on August 12, 2009, or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, and upon either of such deposits the proxy is revoked. A proxy may also be revoked in any other manner permitted by law.

VOTING BY PROXYHOLDER

The shares of the Corporation represented by a properly executed proxy will be voted for or against all matters to be voted on at the Meeting in accordance with the instructions of the registered holder of common shares of the Corporation (a "**Registered Shareholder**") on any vote that may be called for.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. If any other matters do properly come before the Meeting, it is intended that the person appointed as proxy shall vote on such other business in such manner as that person then considers to be proper.

VOTING BY NON-REGISTERED SHAREHOLDERS

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, shares owned by a person (a "**Non-Registered Holder**") are registered either (a) in the name of an intermediary (an "**Intermediary**") that the non-registered holder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered savings plans, registered retirement income funds, registered education savings plans and similar plans), or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101—*Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has distributed copies of this Circular and the accompanying Notice together with the form of proxy and letter of transmittal (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to non-registered holders of shares.

Intermediaries are required to forward the Meeting Materials to non-registered holders. Very often, Intermediaries will use service companies to forward the Meeting Materials to non-registered holders. Generally, non-registered holders will either:

(a) 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 and class of securities beneficially owned by the non-registered holder but which is not otherwise completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the non-registered holder when submitting the proxy. In this case, the non-registered holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified; or

(b) be given a form of proxy which is not signed by the Intermediary and which, when properly completed and signed by the non-registered holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a "**Voting Instruction Form**") which the Intermediary must follow.

In either case, the purpose of this procedure is to permit non-registered holders to direct the voting of the shares they beneficially own. Should a non-registered holder who receives either form of proxy wish to vote at the Meeting in person, the non-registered holder should strike out the persons named in the form of proxy and insert the non-registered holder's name in the blank space provided.

Non-registered holders should carefully follow the instructions of their Intermediary including those regarding when and where the form of proxy or Voting Instruction Form is to be delivered.

A non-registered holder should contact his or her Intermediary and carefully follow the instructions provided by the Intermediary in order to revoke a Voting Instruction Form (or a proxy).

THE AMALGAMATION

At the Meeting, the shareholders of Western will be asked to consider and, if thought appropriate, pass a special resolution (the "**Amalgamation Resolution**") authorizing Western to amalgamate with Subco (the "**Amalgamation**"), as the second step transaction to privatize Western after the expiry of the offer to acquire all of the issued and outstanding common shares of Western ("**Western Shares**") by way of a take-over bid by First Development Holdings Corporation ("**First Development**"), more fully described in a take-over bid circular dated April 15, 2009 and as amended by a notice of extension dated May 21, 2009 (the "**Offer**").

To be effective, the Amalgamation Resolution, the text of which is attached to this Circular as Appendix "A", must be passed by at least two-thirds of the votes cast by those shareholders present in person or by proxy at the Meeting. First Development is the registered holder of 38,042,666 Western Shares, approximately 69% of the issued and outstanding Western Shares and is expected to vote in favour of the Amalgamation Resolution.

Should the Amalgamation Resolution be approved, the board of directors of the Corporation (the "**Board**") will have the authority to effect the Amalgamation pursuant to the terms of the amalgamation agreement between Subco and Western dated July 16, 2009 and attached hereto as Appendix "B".

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE AMALGAMATION OF WESTERN WITH SUBCO AND THE ADOPTION OF THE AMALGAMATION RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST THE AMALGAMATION RESOLUTION.

Registered holders of Western Shares who validly dissent from the Amalgamation Resolution will be entitled to be paid the fair value of their Western Shares, subject to strict compliance with section 272 and Division 2 of Part 8 of the BCBCA.

Background and Reasons for the Amalgamation

On March 25, 2009, Western and First Development announced the execution of a support agreement between Western and First Development (the "**Support Agreement**") to support First Development's intention to make an offer to acquire all of the Western Shares on the basis of $0.56 per Western Share. On April 15, 2009, First Development mailed the circular outlining the Offer (the "**Offer Circular**") to holders of Western Shares and, subsequently, extended the Offer on May 21, 2009 pursuant to a notice of extension. On expiry of the Offer on June 29, 2009, First Development took up and paid for approximately 38,003,666 Western Shares and subsequent to June 29, 2009, First Development took up and paid for an additional 39,000 Western Shares that were not taken up on June 29, 2009 as a result of defaults that have subsequently been cured. The total number of Western Shares taken up by First Development represents approximately 69% of the issued and outstanding Western Shares.

In the Offer Circular, First Development disclosed its intention, if the Offer was successful, to enter into one or more transactions to enable First Development or an affiliate of First Development to acquire all of the Western Shares not acquired under the Offer by means of a compulsory acquisition or subsequent acquisition transaction. First Development has decided to pursue a subsequent acquisition transaction and has incorporated Subco, a wholly-owned subsidiary of First Development, to proceed with the Amalgamation.

The proposed Amalgamation constitutes a "business combination" within the meaning of applicable securities legislation, including Multilateral Instrument 61-101—*Protection of Minority Shareholders in Special Transactions* ("**MI 61-101**"). MI 61-10 provides that, unless exempted, a corporation proposing to carry out a going private transaction or business combination is required to prepare a valuation of the affected securities (and any non-cash consideration being offered therefor) and to provide the holders of the affected securities with a summary of such valuation or the entire valuation. In connection therewith, First Development is relying on an exemption from the valuation requirement under MI 61-101 for a second step going private transaction or business combination carried

out within 120 days after the expiry of a formal bid. For this purpose, the Offer constitutes a formal bid. First Development is able to rely on such exemption because, among other criteria, the consideration per Western Share payable pursuant to the proposed Amalgmation is at least equal in value to the consideration per Western Share paid under the Offer (C$0.56 per Western Share) and is in the same form (cash).

Under the BCBCA and Western's articles, the Amalgamation requires the approval of at least two-thirds of the votes cast by holders of Western Shares at a meeting duly called and held for the purpose of approving the Amalgamation. MI 61-101 also requires that, unless exempted, in addition to any other required securityholder approval, in order to complete a going private transaction or business combination, minority approval (as defined in MI 61-101) must also be obtained. For the purposes of determining whether minority approval has been obtained, MI 61-101 permits First Development to vote the Western Shares acquired under the Offer. **First Development has advised the Corporation that it intends to vote all of the Western Shares acquired under the Offer in favour of the Amalgamation Resolution. First Development holds sufficient Western Shares to approve the Amalgamation Resolution in accordance with the foregoing legal requirements as it holds approximately 69% of the Western Shares.**

Summary of the Amalgamation

Pursuant to the terms of the Amalgamation Agreement (described below), each holder of Western Shares, including First Development, (each a "**Shareholder**") will receive, for each Western Share, one (1) Class A redeemable preference share (each an "**Amalco Redeemable Pref Share**") issued from the resulting amalgamated company ("**Amalco**") that will carry with it (i) a right to convert Amalco Redeemable Pref Shares to common shares of Amalco ("**Amalco Shares**") on a basis of 38,042,666 Amalco Redeemable Pref Shares for one Amalco Share ("**Conversion Right**") upon written notice and without additional consideration to the Corporation and (ii) a right to redeem Amalco Redeemable Pref Shares on the basis of C$0.56 for each Amalco Redeemable Pref Share ("**Redemption Right**"), identical consideration received by a Shareholder that had tendered its shares to the Offer. No fractional Amalco Shares are issuable. The Conversion Right expires at 5:00 p.m. (Pacific Time) on the second business day following the effective date of the Amalgamation ("**Expiry Date**"). On the first business day following the Expiry Date (the "**Redemption Date**"), all issued and outstanding Amalco Redeemable Pref Shares, not converted or already redeemed, will be redeemed for C$0.56 per share in accordance with the Articles of Amalco.

First Development is expected to exercise its Conversion Right upon receipt of its Amalco Redeemable Pref Shares for Amalco Shares.

The board of directors of Western had unanimously determined, after receipt of a fairness opinion from National Bank Financial Inc., that the Offer is in the best interests of Western and Shareholders and had resolved unanimously to approve the entering into of the Support Agreement and the making of a recommendation to Shareholders that they accept the Offer. In addition, the board of directors of Western has reviewed and approved the proposed Amalgamation and authorized the execution by the Corporation of the Amalgamation Agreement as well as the mailing of the Notice, this Circular, the proxy and the letter of transmittal to Shareholders.

Pursuant to the provisions of the BCBCA and Western's articles, Western must obtain the approval of at least two-thirds of the votes cast by holders of Western Shares at a meeting duly called and held for the purpose of approving the Amalgamation;

Subject to obtaining the necessary shareholder approval, Western and Subco will comply with their obligations pursuant to the Amalgamation Agreement to effect the Amalgamation.

Following the Amalgamation and the redemption of the Amalco Class A Pref Shares pursuant to the terms thereof ("**Redemption**"), Amalco will be a wholly-owned subsidiary of First Development.

Following the Amalgamation and the Redemption, Amalco is expected to apply to (i) the securities regulatory authorities in British Columbia, Alberta and Ontario to cease to be a reporting issuer and (ii) the TSX Venture Exchange to delist the Western Shares.

Summary of the Amalgamation Agreement

The following is a summary only of certain provisions of the Amalgamation Agreement and does not purport to be complete and is subject to and is qualified in its entirety by the provisions of the Amalgamation Agreement. Shareholders can review the Amalgamation Agreement which is attached hereto as Appendix "B". Capitalized terms not herein defined have the meanings ascribed to them in the Amalgamation Agreement.

Subco and Western have entered into an amalgamation agreement dated July 16, 2009 pursuant to which Subco will amalgamate with Western.

Subject to receipt of the necessary shareholder approval of Western, each of Western and Subco hereby agrees to the Amalgamation such that Subco and Western shall continue as one corporation under the BCBCA, on the terms and conditions set out in the Amalgamation Agreement.

The Western Shares will be exchanged for securities of Amalco as follows:

- Shareholders (other than Dissenting Shareholders) shall receive one (1) Amalco Redeemable Pref Share for each Western Share held;

- First Development, the sole shareholder of Subco, shall receive one (1) Amalco Share in exchange for the Subco Share(s) held by it; and

- each issued and outstanding Western Share held by each Dissenting Shareholder, if any, shall be cancelled and become an entitlement to be paid the fair value of such Western Share.

Amalco Redeemable Pref Shares are convertible into Amalco Shares on the basis of 38,042,666 Amalco Redeemable Pref Shares for one Amalco Share. No fractional Amalco Shares will be issuable. The Conversion Right may be exercised any time after the Effective Date and prior to 5:00 pm (Pacific Time) on the second Business Day after the Expiry Date without additional consideration upon written notice by the holder of the requisite number of Amalco Redeemable Pref Shares to Amalco. On the first business day following the Expiry Date ("**Redemption Date**"), any issued and outstanding Amalco Redeemable Pref Share not converted pursuant to the terms thereof or already redeemed, will be redeemed for C$0.56 (the "**Consideration**") per Amalco Redeemable Pref Share (the "**Redemption**") in accordance with the Articles. The Consideration to be paid by Amalco on redemption of the Amalco Redeemable Pref Shares will be funded directly or indirectly by First Development.

The forms of the Amalgamation Application (including the Notice of Articles of the Amalgamated Company) and of the articles of the Amalgamated Company (the "**Articles**") shall be substantially in the forms set out in Schedule "A" and Schedule "B" to the Amalgamation Agreement respectively, and the said Amalgamation Application shall be signed by the authorized signing authority of each of Western and Subco and the said Articles shall be signed by one of the first directors of Amalco.

Upon the Amalgamation becoming effective:

- Western and Subco are amalgamated and continue as Amalco;

- obligations of each of Western and Subco immediately prior to the Amalgamation shall attach to Amalco and Amalco shall continue to be liable for them;

- Amalco shall be seized of and shall hold and possess all the properties, rights and interests of, and shall be subject to all the debts, liabilities and obligations of, each of Western and Subco without any further deeds, transfers or conveyances, as fully and effectually and to all intents and purposes as the same are held or borne by each of Western and Subco, respectively, immediately prior to the Amalgamation;

- the directors of Amalco shall have full power to carry the Amalgamation into effect and to perform such acts as are necessary or proper for such purposes; and

- the shareholders of each of Western and Subco shall be bound by the terms of this Agreement.

The full text of the Amalgamation Resolution, including the approval of the Amalgamation Agreement, is set out in Appendix "A" to this Circular. The Board recommends that shareholders vote in favour of the Amalgamation Resolution.

Share Certificates

No certificates shall be issued in respect of the Amalco Redeemable Pref Shares and such shares shall be evidenced by the Share Certificates (other than certificates representing Western Shares held by Dissenting Shareholders and other than Amalco Redeemable Pref Shares that may be issued after the Effective Date). At the Effective Time, share certificates evidencing Western Shares and Subco Shares shall cease to represent any claim upon or interest in Western or Subco, as the case may be, other than the right of the holder to receive that which is provided for in the Amalgamation Agreement.

Prescriptive Period

At the Effective Time, each holder of Western Shares will be removed from Western's central securities register, and and (a) between the Effective Time and the Redemption Date the Share Certificate(s) held by such former holders (other than Dissenting Shareholders) will represent only Amalco Redeemable Pref Shares, and (b) after the Redemption Date, until validly surrendered, the Share Certificate(s) held by such former holder (other than Dissenting Shareholders) will represent only the right to receive, upon such surrender, the Consideration (without interest), and in the case of a Dissenting Shareholder, the right to receive the fair value for the Western Shares held.

Any certificate which, prior to the Effective Time, represented issued and outstanding Western Shares which has not been properly surrendered on or prior to the sixth anniversary of the effective date of the Amalgamation, and subject to applicable law with respect to unclaimed property, will cease to represent any claim against, or interest of any kind or nature in, Western or Amalco and any person who surrenders Share Certificate(s) after the sixth anniversary of the effective date of the Amalgmation will not be entitled to any consideration or other compensation. Subject to the requirements of applicable law, if the aggregate consideration payable upon the redemption of the Amalco Redeemable Pref Shares resulting from the exchange of Western Shares under the Amalgamation has not been fully claimed and paid within six years of the effective date of the Amalgamation, any remaining amount, including without limitation all interest thereon, will be returned to and become the property of Amalco.

Letter of Transmittal and Delivery Requirements

A letter of transmittal (printed on blue paper) is enclosed with this Circular ("**Letter of Transmittal**") for use by Shareholders for the surrender of share certificates representing Western Shares ("**Share Certificates**"). The detailed instructions for the surrender of Share Certificates to Computershare Investor Services Inc., the ("**Depositary**"), and the addresses of the Depositary are set out in the Letter of Transmittal. Provided that a Shareholder has delivered and surrendered to the Depositary the Share Certificates together with the Letter of Transmittal duly completed and executed in accordance with the instructions on such form, and any other required documents, promptly thereafter, Amalco shall cause the Depositary to send a cheque in the amount (in respect of the proceeds of the Redemption of any Amalco Redeemable Pref Shares issued to that Shareholder, without interest) that the Shareholder is entitled to receive, unless the Shareholder indicates to the Corporation that he or she wishes to pick up the cheque the Shareholder is entitled to receive, in which case the cheque will be made available at the Toronto, Ontario office of the Depositary for pick-up. Under no circumstances will interest on the Consideration be paid by Amalco by reason of any delay in paying the proceeds of the Redemption or otherwise.

In order to receive the Consideration, Shareholders (other than Dissenting Shareholders) must duly complete, execute and deliver to the Depositary the Letter of Transmittal together with such Shareholder's Share Certificate(s) and such other additional documents as the Depositary may reasonably require, if any. A Shareholder who has lost or misplaced his or her Share Certificate(s) should complete the Letter of Transmittal as fully as possible and forward it to the Depositary together with a letter explaining the loss or contact the Depositary as soon as possible for instructions. The Depositary will respond with the replacment requirements which must be properly completed

and submitted in good order to the Depositary. See also the section of this Circular entitled “The Amalgamation — Prescription Period”.

The method used to deliver this Letter of Transmittal and any accompanying certificates representing Western Shares (or Amalco Redeemable Pref Shares after the Amalgamation) is at the option and risk of the holder, and delivery will be deemed effective only when such documents are actually received by the Depositary. Western recommends that the necessary documentation be hand delivered to the Depositary, as applicable, at any of their offices specified below, and a receipt obtained; otherwise the use of registered mail with return receipt requested, properly insured, is recommended. Shareholders whose Share Certificates are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should contact such nominee to arrange for the surrender of their Share Certificates.

Certain Canadian Federal Income Tax Considerations

The following is a summary of the principal Canadian federal income tax considerations generally applicable under the Income Tax Act (Canada) (including the regulations thereunder) (the “**Tax Act**”), as of the date hereof, of the Amalgamation and the redemption of Amalco Redeemable Pref Shares to a Shareholder who, for the purposes of the Tax Act and at all relevant times, (i) deals at arm’s length with First Development and Western, (ii) is not affiliated with First Development or Western, and (iii) holds the Western Shares and Amalco Redeemable Pref Shares as capital property.

Western Shares and Amalco Redeemable Pref Shares will generally be considered to be capital property to a Shareholder unless such shares are held in the course of carrying on a business or were acquired in one or more transactions considered to be an adventure in the nature of trade. Certain Shareholders who are residents of Canada for the purposes of the Tax Act and whose Western Shares or Amalco Redeemable Pref Shares might not otherwise qualify as capital property may be entitled to make the irrevocable election provided by subsection 39(4) of the Tax Act to have such shares and every other “Canadian security” (as defined in the Tax Act) owned by such Shareholder in the taxation year of the election, and in all subsequent taxation years, deemed to be capital property. Shareholders should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available and advisable in their particular circumstances.

This summary is based on the current provisions of the Tax Act and an understanding of the current published administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”). This summary also takes into account all proposed amendments to the Tax Act announced by or on behalf of the Minister of Finance in writing prior to the date hereof (the “**Proposed Amendments**”), and assumes all such Proposed Amendments will be enacted in their present form. No assurances can be given that the Proposed Amendments will be enacted in their present form, or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by judicial, governmental or legislative action or decision, or changes in the administrative policies and assessing practices of the CRA, nor does it take into account provincial, territorial or foreign income tax legislation or considerations, which may differ significantly from the Canadian federal income tax considerations discussed herein

This summary is not applicable to a Shareholder: (i) that is a “financial institution” for purposes of the “mark-to-market property” rules; (ii) that is a “specified financial institution”; (iii) an interest in which is a “tax shelter investment”, as each of those terms is defined in the Tax Act; or (iv) who reports its Canadian tax results in a currency other than the Canadian currency. In addition, this summary is not applicable to a Shareholder who acquired their Western Shares on the exercise of an employee stock option. Such Shareholders should consult their own tax advisors.

This summary is not exhaustive of all Canadian federal income tax consideration and is of a general nature only. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder, and no representation with respect to the tax consequences to any particular Shareholder are made. Accordingly, Shareholders should consult their own tax advisors with respect to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, state or other local tax authority.

Shareholders Resident in Canada

This portion of the summary is generally applicable to a Shareholder who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada (a "**Resident Shareholder**").

Disposition of Western Shares on the Amalgamation

A Resident Shareholder whose Western Shares are converted into Amalco Redeemable Pref Shares on the Amalgamation will not realize any capital gain or capital loss as a result of the conversion. The Resident Shareholder will be considered to have disposed of the Western Shares for proceeds of disposition equal to the aggregate adjusted cost base of the Western Shares to the Resident Shareholder immediately before the Amalgamation. The cost to a Resident Shareholder of the Amalco Redeemable Pref Shares received on the Amalgamation will equal the proceeds of disposition for the Western Shares.

Redemption of Amalco Redeemable Pref Shares

Upon the redemption of an Amalco Redeemable Pref Share, a Resident Shareholder of such Amalco Redeemable Pref Share will generally be deemed to have received a dividend (subject to the potential application of subsection 55(2) of the Tax Act to the holder of such Amalco Redeemable Pref Share that is a corporation, as discussed below) equal to the amount by which the redemption price of the Amalco Redeemable Pref Share exceeds its paid-up capital for the purposes of the Tax Act. The difference between the redemption price and the amount of the deemed dividend will be treated as proceeds of disposition of such Amalco Redeemable Pref Share for the purpose of computing any capital gain or capital loss arising on the redemption of such Amalco Redeemable Pref Share. The taxation of capital gains or capital losses is generally described below under "Taxation of Capital Gains and Losses".

Subsection 55(2) of the Tax Act provides that where a Resident Shareholder that is a corporation is deemed to receive a dividend under the circumstances described above, all or part of the deemed dividend may be deemed not to be a dividend and instead may be treated as proceeds of disposition of the Amalco Redeemable Pref Share for the purposes of computing the Resident Shareholder's capital gain on the disposition of the Amalco Redeemable Pref Share. Accordingly, Resident Shareholders that are corporations should consult their own tax advisors for specific advice with respect to the potential application of this provision to them. Subject to the potential application of this provision, dividends deemed to be received by a Resident Shareholder that is a corporation as a result of the redemption of Amalco Redeemable Pref Shares will be included in computing the corporation's income, but normally will also be deductible in computing the corporation's taxable income.

A Resident Shareholder that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act) may be liable under Part IV of the Tax Act to pay a refundable tax of 33⅓% on dividends deemed to be received on the Amalco Redeemable Pref Shares to the extent that such dividends are deductible in computing the Resident Shareholder's taxable income. Dividends deemed to be received by a Resident Shareholder who is an individual (including a trust) as a result of the redemption of the Amalco Redeemable Pref Shares will be included in computing the Resident Shareholder's income, and will be subject to the gross-up and dividend tax credit rules generally applicable to taxable dividends received from a taxable Canadian corporation.

The Amalgamation Agreement effectively provides that an amount of paid-up capital equal to the agregate redemption price of the Amalco Redeemable Pref Shares will be allocated to the Amalco Redeemable Pref Shares, with the result that, upon the redemption of an Amalco Redeemable Pref Share, the holder thereof (i) would realize a capital gain (or capital loss) to the extent that the redemption price of such share exceeds (or is less than) the aggregate of the adjusted cost base to the holder of such share and any reasonable costs of disposition, and (ii) would not be deemed to have received a dividend. However, no assurances can be given in this regard.

Dissenting Shareholders

Under the current administrative practice of the CRA, Resident Shareholders who exercise their right of dissent in respect of the Amalgamation will be considered to have disposed of their Western Shares for proceeds of disposition equal to the amount paid to them for such Western Shares less the amount of any interest awarded by the court, and

will realize a capital gain (or capital loss) to the extent that those proceeds of disposition exceed (or are exceeded by) the aggregate adjusted cost base of such Western Shares to the Resident Shareholder and any reasonable costs of disposition. Any interest awarded to a Resident Shareholder who dissents will be included in the Resident Shareholder's income. The tax treatment of capital gains and capital losses under the Tax Act is discussed below under "Taxation of Capital Gains and Losses".

Taxation of Capital Gains and Capital Losses

A Resident Shareholder generally will be required to include in computing its income for the taxation year of disposition one half of the amount of any capital gain (a "**taxable capital gain**") realized in such year. Subject to and in accordance with the provisions of the Tax Act, a Resident Shareholder will be required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") against taxable capital gains realized in the taxation year of disposition. Allowable capital losses in excess of taxable capital gains for the taxation year of disposition generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances specified in the Tax Act.

In general, a capital loss otherwise arising upon the disposition of a Western Share by a Resident Shareholder that is a corporation may be reduced by dividends previously received or deemed to have been received by it on such Western Share, to the extent and under the circumstances prescribed in the Tax Act. Similar rules may apply where the corporation is a member of a partnership or a beneficiary of a trust that owns Western Shares or where a partnership or trust of which a corporation is a member or a beneficiary is a member of a partnership or a beneficiary of a trust that owns Western Shares. Resident Shareholders to whom these rules apply should consult their own tax advisors.

A Resident Shareholder that throughout the taxation year is a "Canadian controlled private corporation" (as defined in the Tax Act) may be liable to pay an additional $6\frac{2}{33}$% refundable tax on certain investment income, including an amount in respect of taxable capital gains.

Capital gains realized by an individual or trust, other than certain specified trusts, may be subject to alternative minimum tax under the Tax Act. Resident Shareholders should consult their own tax advisors with respect to the alternative minimum tax provisions.

Shareholders Not Resident in Canada

The following summary is generally applicable to a Shareholder who, at all relevant times, for purpsoes of the Tax Act, is not and is not deemed to be, resident in Canada (a "**Non-Resident Shareholder**"). Special rules not discussed in this summary may apply to a non-resident insurer carrying on an insurance business in Canada and elsewhere, and any such insurers should consult their own tax advisors.

Disposition of Western Shares on the Amalgamation

A Non-Resident Shareholder whose Western Shares are converted into Amalco Redeemable Pref Shares on the Amalgamation will not realize any capital gain or capital loss as a result of the conversion. The Non-Resident Shareholder will be considered to have disposed of the Western Shares for proceeds of disposition equal to the aggregate adjusted cost base of the Western Shares to the Non-Resident Shareholder immediately before the Amalgamation. The cost to a Non-Resident Shareholder of the Amalco Redeemable Pref Shares received on the Amalgamation will equal the proceeds of disposition for the Western Shares.

Redemption of Amalco Redeemable Pref Shares

A Non-Resident Shareholder may realize a capital gain or a capital loss and/or be deemed to receive a dividend on the redemption of the Amalco Redeemable Pref Shares, as discussed above under "Shareholders Resident in Canada – Redemption of Amalco Redeemable Pref Shares".

Whether or not a Non-Resident Shareholder would be subject to tax under the Tax Act on any such capital gain would depend on whether the Amalco Redeemable Pref Shares are ''taxable Canadian property'' to the Non-Resident Shareholder for purposes of the Tax Act at the time of the redemption and whether the Non-Resident Shareholder is entitled to relief under an applicable income tax treaty or convention. Generally, Amalco Redeemable Pref Shares will not constitute taxable Canadian property to a Non-Resident Shareholder at the time of the redemption provided that (a) the Western Shares exchanged therefor were listed on a designated stock exchange (which currently includes the TSX) at the time of the Amalgamation, (b) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder does not deal at arm's length, or the Non-Resident Shareholder together with all such persons, had not owned 25% or more of the shares of any class or series of Western or Amalco at any time during the 60 month period immediately preceding the time of the redemption, (c) Amalco is a "public corporation" (within the meaning of the Tax Act), and (d) the redemption occurs within 60 days after the Amalgamation. Amalco Redeemable Pref Shares may also be deemed to constitute taxable Canadian property to a Non-Resident Shareholder in certain circumstances specified under the Tax Act.

Even if the Amalco Redeemable Pref Shares are taxable Canadian property to a Non-Resident Shareholder, any capital gain realized upon the disposition or deemed disposition thereof may not be subject to tax under the Tax Act if such gain is exempt from tax pursuant to the provisions of an applicable income tax treaty or convention. Non-Resident Shareholders should consult their own advisors with respect to the availability of any relief under the terms of an applicable income tax treaty or convention in their particular circumstances.

Dividends deemed to be paid to a Non-Resident Shareholder, if any, will be subject to Canadian withholding tax at a rate of 25%. Such rate may be reduced under the provisions of an applicable income tax convention.

Dissenting Shareholders

Under the current administrative practice of the CRA, a Non-Resident Holder who exercises its rights of dissent with respect the Amalgamation will generally be considered to have disposed of its Western Shares for proceeds of disposition equal to the amount paid by Amalco (except for any amount received as interest). No tax will be payable under the Tax Act on any capital gain realized by a Non-Resident Holder in these circumstances unless the Western Shares constitute "taxable Canadian property". Generally, Western Shares will not constitute taxable Canadian property to a Non-Resident Shareholder at a particular time provided that (a) the Western Shares are listed on a designated stock exchange (which currently includes the TSX) at that time, and (b) the Non-Resident Shareholder, persons with whom the Non-Resident Shareholder does not deal at arm's length, or the Non-Resident Shareholder together with all such persons, has not owned 25% or more of the shares of any class or series of Western at any time during the 60 month period immediately preceding that time. Western Shares may also be deemed to constitute taxable Canadian property to a Non-Resident Shareholder in certain circumstances specified under the Tax Act. Even if the Western Shares are taxable Canadian property to a Non-Resident Shareholder, any capital gain realized upon the disposition or deemed disposition thereof may not be subject to tax under the Tax Act if such gain is exempt from tax pursuant to the provisions of an applicable income tax treaty or convention. Non-Resident Shareholders should consult their own advisors with respect to the availability of any relief under the terms of an applicable income tax treaty or convention in their particular circumstances.

Any amount received as interest may be subject to Canadian withholding tax at a rate of 25%. Such rate may be reduced under the provisions of an applicable income tax convention.

Dissenting Holders' Rights in Respect of the Amalgamation Resolution

Under section 272 and Division 2 of Part 8 of the BCBCA, a registered Shareholder may dissent in respect of the Amalgamation Resolution. If the Amalgamation is completed, Dissenting Shareholders who strictly comply with the procedures set out in the BCBCA will be entitled to be paid the fair value of their Western Shares in connection with which their right to dissent was exercised.

In the event that a Shareholder fails to perfect that Shareholder's right to dissent, withdraws that Shareholder's notice of dissent, or forfeits that Shareholder's right to dissent, or that Shareholder's right to dissent is otherwise terminated, in each case under the BCBCA or his or her rights as a Shareholder of the Corporation are otherwise

reinstated, each Western Share held by that Shareholder shall thereupon be deemed to have been exchanged for an Amalco Redeemable Pref Share as of the Effective Time.

The dissent right and dissent procedure provided by section 272 and Division 2 of Part 8 of the BCBCA to be followed by a Shareholder who intends to dissent from the Amalgamation Resolution is summarized below. It is only a summary of the dissent procedures and such summary is qualified in its entirety by the provisions set forth in the BCBCA, hereto as Appendix "C".

Section 238 of the BCBCA provides that a shareholder may only exercise the right to dissent with respect to all the shares of a class held by him or her on behalf of any one beneficial owner and registered in the shareholder's name. One consequence of this provision is that a shareholder may only exercise the right to dissent under the BCBCA in respect of Western Shares which are registered in that shareholder's name. In many cases, Western Shares beneficially owned by a Non-Registered Holder are registered either (i) in the name of an intermediary that the Non-Registered Holder deals with in respect of the Western Shares (such as banks, trust companies, securities dealers and brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, and their nominees); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (CDS)) of which the intermediary is a participant. Accordingly, a Non-Registered Holder will not be entitled to exercise the right to dissent under the BCBCA directly (unless the Western Shares are re-registered in the Non-Registered Holder's name). A Non-Registered Holder who wishes to exercise the right to dissent should immediately contact the intermediary who the Non-Registered Holder deals with in respect of the Western Shares and either: (i) instruct the intermediary to exercise the right to dissent on the Non-Registered Holder's behalf (which, if the Western Shares are registered in the name of CDS or other clearing agency, would require that the Western Shares first be re-registered in the name of the intermediary); or (ii) instruct the intermediary to re-register the Western Shares in the name of the Non-Registered Holder, in which case the Non-Registered Holder would have to exercise the right to dissent directly.

A registered shareholder who wishes to invoke the provisions of section 272 and Division 2 of Part 8 of the BCBCA must send to the Corporation a written notice of dissent to the Amalgamation Resolution (the "**Notice of Dissent**") at least two (2) days before the date fixed for the shareholders' meeting at which the Amalgamation Resolution is to be voted on. The sending of a Notice of Dissent does not deprive a registered shareholder of his or her right to vote on the Amalgamation Resolution but a vote either in person or by proxy against the Amalgamation Resolution does not constitute a Notice of Dissent. A vote in favour of the Amalgamation Resolution will deprive the registered shareholder of further rights under section 246 of the BCBCA with respect to the Western Shares relating to such vote.

Promptly after the later of the date the Corporation forms the intention to proceed with the adoption of the Amalgamation Resolution by the shareholders and the date on which the Notice of Dissent was received, the Corporation is required to notify in writing each shareholder who has filed a Notice of Dissent and has not voted for the Amalgamation Resolution or withdrawn his objection (a "**Dissenting Shareholder**") that the Amalgamation Resolution has been adopted. A Dissenting Shareholder shall, within one month after he or she receives notice of adoption of the Amalgamation Resolution, send to the Corporation a written notice (the "**Demand for Payment**") containing his or her name and address, the number and class of shares in respect of which he or she dissents, and a demand for payment of the fair value of such shares, along with the certificates representing the Western Shares in respect of which he or she dissents to the Corporation or its transfer agent.

If a Dissenting Shareholder fails to send the Notice of Dissent, the Demand for Payment or his share certificates, he or she may lose his or her right to make a claim under section 244 of the BCBCA.

After the Dissenting Shareholder has sent to the Corporation the Demand for Payment and the certificates representing the Western Shares, the Dissenting Shareholder is deemed to have sold to the Corporation the Western Shares and the Corporation is deemed to have purchased the Western Shares. The Dissenting Shareholder may not vote, or exercise any rights of a shareholder, in respect of the Western Shares.

The Corporation and the Dissenting Shareholder may agree on the amount of the fair value of the Western Shares and, in that event, the Corporation must promptly pay that amount to the Dissenting Shareholder. A Dissenting Shareholder who has not entered into an agreement with the Corporation as to the amount of the fair value of the

Western Shares, or the Corporation, may apply to the court and the court may determine the fair value of the Western Shares of those Dissenting Shareholders who have not entered into an agreement with the Corporation, or order that the fair value of those Western Shares be established by arbitration or by reference to the registrar, or a referee, of the court.

Promptly after a determination of the fair value for the Western Shares the Corporation must pay to each Dissenting Shareholder (other than a Dissenting Shareholder who has entered into an agreement with the Corporation) the fair value applicable to that Dissenting Shareholder's Western Shares.

The above is only a summary of the dissenting shareholder provisions of the BCBCA, which are technical and complex. The full text is attached as Appendix "C" to this Circular. It is suggested that a shareholder of the Corporation wishing to exercise a right to dissent should seek legal advice, as failure to comply strictly with the provisions of the BCBCA may result in the loss or unavailability of the right to dissent.

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

Except as otherwise disclosed herein, no person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, nor any of their associates or affiliates, has a material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Under the Support Agreement, the Corporation and First Development agreed that if First Development took up and paid for Western Shares under the Offer representing at least a two-thirds majority of the issued and outstanding Western Shares, the Corporation would assist First Development in connection with completing any subsequent acquisition transaction that First Development may, in its sole discretion, undertake to pursue to acquire the remaining Western Shares.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Share Capital

The Corporation's authorized share capital currently consists of an unlimited number of common shares, of which 54,752,943 common shares are issued and outstanding as of the date of this Circular. Each common share entitles the holder thereof to one vote at all meetings of shareholders of the Corporation, including the Meeting.

Principal Shareholders

As of the date of this Circular, to the knowledge of the directors or executive officers of the Corporation, no person or company beneficially owns, or controls or directs, directly or indirectly, more than 10% of the voting rights attached to the common shares of the Corporation other than the following:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
First Development Holdings Corporation	38,042,666	69%
Anchorage Capital Master Offshore Ltd.(1)	8,882,610	16%

(1) Anchorage Capital Master Offshore C Ltd. holds 1,000,000 Western Shares which together with the shares held by Anchorage Capital Master Offshore Ltd. represent an aggregate of 18% of the issued and outstanding Western Shares.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Corporation, nor any associate or affiliate of any informed person, has had a direct or indirect material interest in any transaction 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.

AUDITORS

The auditors of the Corporation are PricewaterhouseCoopers LLP.

MANAGEMENT CONTRACTS

No management functions of the Corporation or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the System for Electronic Document Analysis and Retrieval at www.sedar.com. A holder of common shares of the Corporation may contact the Corporation to request a copy of the Corporation's financial statements and accompanying management's discussion and analysis by contacting Charles Pullin, through e-mail at cpullin@westernprospector.com, or through the Corporation's Internet website at www.westernprospector.com. Financial information is provided in the Corporation's comparative financial statements and accompanying management discussion and analysis for the fiscal year ended December 31, 2008.

CONSENT OF LEGAL COUNSEL

We hereby consent to the reference to our name and opinions contained in the section "*Certain Canadian Federal Income Tax Considerations"* in this Circular of the Corporation dated July 16, 2009.

DATED this 16th day of July, 2009.

(Signed) "*Stikeman Elliott LLP"*

APPROVAL

The contents and sending of this Circular have been approved by the directors of the Corporation.

DATED this 16th day of July, 2009.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Dr. Sheng Zhan*"

Dr. Sheng Zhan
Executive Vice-President and Director

APPENDIX “A”
AMALGAMATION RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The amalgamation (the “**Amalgamation**”) pursuant to the *Business Corporations Act* (British Columbia) (“**BCBCA**”) of Western Prospector Group Ltd. (the “**Corporation**”) and 08566656 B.C. Ltd. (“**Subco**”), as more particularly described and set forth in the management proxy circular (the “**Circular**”) of the Corporation dated July 16, 2009, accompanying the notice of this meeting (as the Amalgamation may be amended, modified or supplemented in accordance with its terms), is hereby authorized, approved and adopted.

2. The (i) amalgamation agreement dated as of July 16, 2009 between the Corporation and Subco (the “**Amalgamation Agreement**”) and related transactions, (ii) actions of the directors of the Corporation in approving the Amalgamation Agreement, and (iii) actions of the directors and officers of the Corporation in executing and delivering the Amalgamation Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.

3. Notwithstanding that this resolution has been passed (and the Amalgamation adopted) by the shareholders of the Corporation, the directors of the Corporation are hereby authorized and empowered to, without notice to or approval of the shareholders of the Corporation, (i) amend, modify or supplement the Amalgamation Agreement to the extent permitted by the terms therein; and (ii) subject to the terms of the Amalgamation Agreement, not to proceed with the Amalgamation and related transactions.

4. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute and deliver for filing with the Registrar of Companies under the BCBCA the amalgamation application and such other documents as are necessary or desirable to give effect to the Amalgamation in accordance with the Amalgamation Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of amalgamation and any such other documents.

5. In connection with the Amalgamation contemplated in the foregoing resolutions, any one director or officer of the Corporation is authorized in the name and on behalf of the Corporation, to make or to cause to be made any filings with any governmental agency or regulatory authority, necessary, appropriate or desirable in order to carry out fully the intent and accomplish the purposes of the foregoing resolutions, including without limitation any forms required to be filed with securities regulatory authorities and the TSX Venture Exchange, and such filings shall be conclusive evidence that the same are authorized hereby, and that any and all such filings heretofore or hereafter made by director or officer or counsel for the Corporation within the terms of these resolutions be, and they hereby are, adopted, affirmed, approved and ratified in all respects as the official filing of the Corporation.

6. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

7. All actions previously taken by any director, officer, employee or agent of the Corporation or the board of directors of the Corporation in connection with or related to the matters set forth in or reasonably contemplated or implied by the foregoing resolutions be, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of the Corporation.

APPENDIX "B"
AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT dated July 16, 2009.

BETWEEN:

0856656 B.C. LTD., a company incorporated under the BCBCA (as defined below) (**"Subco"**);

- and -

WESTERN PROSPECTOR GROUP LTD., a company incorporated under the BCBCA ("**Western**");

RECITALS:

(a) Subco and Western, acting under the authority contained in the BCBCA (as defined below), have agreed to amalgamate upon the terms and conditions set out in this Agreement;

(b) The authorized share structure of Subco consists of an unlimited number of common shares, of which one Subco Share (as defined below) is issued and outstanding at the date hereof as fully paid and non-assessable, and is held solely by First Development Holdings Corporation ("**First Development**");

(c) The authorized share structure of Western consists of an unlimited number of common shares, of which 54,752,943 Western Shares (as defined below) are issued and outstanding at the date hereof as fully paid and non-assessable;

(d) First Development acquired 38,042,666 or approximately 69% of the issued and outstanding Western Shares pursuant to a take-over bid that expired on June 29, 2009;

(e) Each of the Amalgamating Companies (as defined below) has made a full disclosure to the others of the all of its respective assets and liabilities; and

(f) It is desirable for business reasons that the Amalgamation (as defined below) be effected.

NOW THEREFORE in consideration of the mutual covenants and agreements contained herein and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the parties agree as follows:

1. Interpretation

In this Agreement, including the recitals:

"**Agreement**" means this amalgamation agreement, its recitals and schedules, and any amendment made to this Agreement;

"**Amalco**" means the company continuing from the Amalgamation;

"Amalco Redeemable Pref Shares" means the Class A redeemable preference shares in the capital of Amalco;

"Amalco Shares" means the common shares in the capital of Amalco;

"**Amalgamating Company**" means each of Subco and Western and "**Amalgamating Companies**" means both of them;

"**Amalgamation**" means the amalgamation of the Amalgamating Companies pursuant to the provisions of the BCBCA in the manner contemplated in and pursuant to this Agreement;

"**Amalgamation Application**" means the amalgamation application to be filed with the Registrar pursuant to Section 275 of the BCBCA to give effect to the Amalgamation pursuant to this Agreement;

"**Articles**" means the articles set out in Schedule "B" to this Agreement;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as amended;

"**Business Day**" means any day, other than a Saturday, Sunday or a statutory holiday in the provinces of British Columbia or Ontario, on which banks are open for business during normal banking hours in Vancouver and Toronto;

"**Certificate of Amalgamation**" means the certificate of amalgamation to be issued by the Registrar in respect of the Amalgamation;

"**Consideration**" has the meaning ascribed to it in Section 6;

"**Dissenting Shareholder**" means a registered holder of Western Shares who, in connection with the special resolution of the holders of Western Shares to approve and adopt this Agreement and the Amalgamation, has exercised the right to dissent pursuant to section 272 and Division 2 of Part 8 of the BCBCA in strict compliance with the provisions thereof and thereby becomes entitled to receive the payout value (as defined below) of the Western Shares held by that holder, where that holder of Western Shares has not withdrawn its notice of dissent or forfeited its right to dissent and where that holder's right to dissent has not otherwise been terminated, in each case under the BCBCA;

"**Effective Date**" means the date set out on the Certificate of Amalgamation giving effect to the Amalgamation;

"**Effective Time**" has the meaning ascribed to it in Section 16;

"**Parties**" means Subco, Western and any other Person who may become a party to this Agreement;

"**payout value**" where used in relation to a Western Share held by a Dissenting Shareholder, means the payout value as such term is defined in the BCBCA, being the fair value agreed to by Amalco and the Dissenting Shareholder or as determined by a court, in either case pursuant to section 245 of the BCBCA;

"Person" means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity, and pronouns have a similarly extended meaning;

"**Redemption**" has the meaning ascribed to it in Section 6;

"Registrar" means the British Columbia Registrar of Companies;

"**Share Certificates**" means certificates representing Western Shares and, following the Amalgamation, Amalco Redeemable Pref Shares;

"**Subco Shares**" means the common shares in the capital of Subco; and

"**Western Shares**" means the common shares in the capital of Western.

2. Agreement to Amalgamate

Subject to receipt of the necessary shareholder approval of the Amalgamating Companies, each of the Parties hereby agrees to the Amalgamation such that the Amalgamating Companies shall continue as one company under the BCBCA, on the terms and conditions set out in this Agreement.

3. Amalgamation Events

The issued shares of each of the Amalgamating Companies shall be exchanged for those of Amalco, or otherwise dealt with, as follows:

(a) each issued Western Share (other than those held by Dissenting Shareholders) shall be exchanged for one (1) Amalco Redeemable Pref Share;

(b) the issued Subco Share(s) shall be exchanged for, in the aggregate one (1) Amalco Share; and

(c) each issued and outstanding Western Share held by each Dissenting Shareholder, if any, shall be cancelled and become an entitlement to be paid the payout value of such Western Share.

4. Capital

Subject to reduction to effect payments made to Dissenting Shareholders, immediately following the Amalgamation the capital in the records of Amalco shall be:

(a) for the Amalco Redeemable Pref Shares, an amount equal to the number of Amalco Redeemable Pref Shares resulting from the exchange of the Western Shares upon and pursuant to the Amalgamation (including, for greater certainty and without limitation, Amalco Redeemable Pref Shares resulting from the deemed conversion of Western Shares in accordance with Section 5 of this Agreement) multiplied by Cdn.$0.56; and

(b) for the Amalco Share, an amount equal to the amount by which the aggregate paid-up capital (as defined in the *Income Tax Act* (Canada), as amended or supplemented) attributable to the Western Shares immediately before the Amalgamation (other than those held by Dissenting Shareholders) and to the Subco Shares immediately before the Amalgamation exceeds the amount allocated to the capital maintained for the Amalco Redeemable Pref Shares in accordance with paragraph (a) of this Section.

5. Conversion of Amalco Redeemable Pref Shares

Amalco Redeemable Pref Shares are convertible into Amalco Shares on the basis of 38,042,666 Amalco Redeemable Pref Shares for one Amalco Share. No fractional Amalco Shares may be issued on the conversion of Amalco Redeemable Pref Shares. Such right of conversion may be exercised any time after the Effective Date and prior to 5:00 p.m. (Pacific Time) on the second Business Day after the Effective Date ("**Expiry Date**") without additional consideration upon written notice provided by the holder of the requisite number of Amalco Redeemable Pref Shares to Amalco.

6. Redemption of Amalco Redeemable Pref Shares and Delivery of Consideration Following Amalgamation

On the first Business Day following the Expiry Date (the **"Redemption Date"**), all issued and outstanding Amalco Redeemable Pref Shares will be redeemed for C$0.56 (the "**Consideration**") per Amalco Redeemable Pref Share (the "**Redemption**") in accordance with the Articles.

7. Name of Amalco

The name of Amalco shall be Western Prospector Group Ltd.

8. Registered Office

Until changed in accordance with the BCBCA, the mailing and delivery addresses of the registered and records offices of Amalco shall be as set out in the Notice of Articles.

9. Financial Year End

The financial year-end of Amalco shall be December 31, until changed by the director(s) of Amalco.

10. Business and Powers

There shall be no restrictions on the business that Amalco may carry on or on the powers that Amalco may exercise.

11. Authorized Capital

The authorized capital of Amalco shall be an unlimited number of common shares and an unlimited number of Class A redeemable preference shares.

12. Number of Directors

The number of directors of Amalco, until changed in accordance with the Articles of Amalco, shall be one.

13. Initial Director

The full name and prescribed address of the first director of Amalco is:

Name	Prescribed Address
Dr. Sheng Zhan	Rm 316, No.1 Nansixiang, Sanlihe Xicheng District, Beijing, China 100822

Each such director shall hold office until he ceases to hold office as specified in the BCBCA, or in the Articles of Amalco. The director shall carry on and continue the operations of Amalco in such manner as he shall determine, subject to and in accordance with the Articles of Amalco and the BCBCA.

14. Amalgamation Application and Articles

The forms of the Amalgamation Application (including the Notice of Articles of Amalco) and of the articles of Amalco (the "**Articles**") shall be substantially in the forms set out in Schedule "A" and Schedule "B" to this Agreement respectively, and the said Amalgamation Application shall be signed by the authorized signing authority of each of the Amalgamating Companies and the said Articles shall be signed by the first director of Amalco referred to in paragraph 13 of this Agreement.

15. Filing of Articles

If this Agreement is adopted by each of the Amalgamating Companies as required by the BCBCA, the Amalgamating Companies agree that they will, jointly and together, file with the Registrar the Amalgamation Application substantially in the form set out in Schedule "A" to this Agreement.

16. Effective Time

The Amalgamation shall take effect and go into operation at the effective time of the Amalgamation Application filed in respect of the Amalgamation, as specified in the Amalgamation Application (the "**Effective Time**")**,** if this Agreement has been adopted as required by law and all necessary filings have been made with the Registrar before that time, or at such later time, or time and date, as may be determined by the directors or by special resolutions of the Amalgamating Companies when this Agreement shall have been adopted as required by law; provided, however, that if the respective directors of either of the Amalgamating Companies determine that it is in the best interests of the Amalgamating Companies, or either of them, or of Amalco, not to proceed with the Amalgamation, then any of the Amalgamating Companies may, by written notice to the other Parties, terminate this Agreement at any time prior to the Amalgamating Companies being amalgamated, and in such event, the Amalgamation shall not take place notwithstanding the fact that this Agreement may have been adopted by the shareholders of the Amalgamating Companies.

17. Effect of Amalgamation

Upon the Effective Date:

(a) the Amalgamating Companies shall be amalgamated and continue as Amalco, as contemplated by this Agreement;

(b) obligations of each of the Amalgamating Companies immediately prior to the Amalgamation shall attach to Amalco and Amalco shall continue to be liable for them;

(c) Amalco shall be seized of and shall hold and possess all the properties, rights and interests of, and shall be subject to all the debts, liabilities and obligations of, each of the Amalgamating Companies without any further deeds, transfers or conveyances, as fully and effectually and to all intents and purposes as the same are held or borne by each of the Amalgamating Companies, respectively, immediately prior to the Amalgamation;

(d) the directors of Amalco shall have full power to carry the Amalgamation into effect and to perform such acts as are necessary or proper for such purposes; and

(e) the shareholders of each of the Amalgamating Companies shall be bound by the terms of this Agreement.

18. Share Certificates

No certificates shall be issued in respect of the Amalco Redeemable Pref Shares and such shares shall be evidenced by the certificates representing Western Shares (other than certificates representing Western Shares held by Dissenting Shareholders and other than Amalco Redeemable Pref Shares that may be issued after the Effective Date). At the Effective Time, share certificates evidencing Western Shares and Subco Shares shall cease to represent any claim upon or interest in Western or Subco, as the case may be, other than the right of the holder to receive that which is provided for in Sections 3 and 20.

19. Prescription Period

At the Effective Time, each holder of Western Shares will be removed from Western's central securities register, and (a) between the Effective Time and the Redemption Date the Share Certificate(s) held by such former holders (other than Dissenting Shareholders) will represent only Amalco Redeemable Pref Shares, and (b) after the Redemption Date, until validly surrendered, the Share Certificate(s) held by such former holder (other than Dissenting Shareholders) will represent only the right to receive, upon such surrender, the Consideration (without interest), and in the case of a Dissenting Shareholder, the right to receive the payout value for the Western Shares held.

Any certificate which prior to the Effective Time represented issued and outstanding Western Shares which has not been properly surrendered on or prior to the sixth anniversary of the Effective Date, and subject to applicable law with respect to unclaimed property, will cease to represent any claim against, or interest of any kind or nature in, Western or Amalco and any person who surrenders Share Certificate(s) after the sixth anniversary of the Effective Date will not be entitled to any Consideration or other compensation. Subject to the requirements of applicable law, if the aggregate Consideration payable upon the redemption of the Amalco Redeemable Preferred Shares resulting from the exchange of Western Shares under the Amalgamation has not been fully claimed and paid within six years of the Effective Date, any remaining amount, including without limitation all interest thereon, will be returned to and become the property of Amalco.

20. Dissenting Shareholders

Western Shares which are held by a Dissenting Shareholder shall not be exchanged for Amalco Redeemable Pref Shares and thereafter be redeemed for the Consideration. However, in the event that a holder of Western Shares fails to perfect that holder's right to dissent, withdraws that holder's notice of dissent, or forfeits that holder's right to dissent, or that holder's right to dissent is otherwise terminated, in each case under the BCBCA or his or her rights as a shareholder of Western are otherwise reinstated, each Western Share held by that holder shall thereupon be deemed to have been exchanged as of the Effective Time for an Amalco Redeemable Pref Share, which Amalco Redeemable Pref Share shall be deemed to have been redeemed on the Redemption Date for the Consideration.

21. Governing Law

This Agreement shall be governed by, and construed in accordance with, the laws of the Province of British Columbia and the federal laws of Canada applicable therein. Each Party hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under or in relation to this Agreement.

22. Further Assurances

Each of the Parties agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.

23. Time of the Essence

Time shall be of the essence of this Agreement.

24. Amendments

This Agreement may only be amended or otherwise modified by written agreement executed by the Parties. Each of the Parties may, by resolution of their respective directors or by special resolution, assent to any alteration or modification of this Agreement which may be necessary or desirable in the opinion of the respective directors or shareholders, as the case may be, of each of the Parties passing such resolution, and all alterations and modifications so assented to by all the Parties shall be binding upon the Parties.

25. Counterparts

This Agreement may be signed in counterparts (including counterparts by facsimile), and all such signed counterparts, when taken together, shall constitute one and the same agreement, effective on this date.

(signature page to follow)

IN WITNESS WHEREOF the Parties have executed this Agreement.

0856656 B.C. LTD.

By: *Signed "Dr. Sheng Zhan"*

Name: Dr. Sheng Zhan

Title: Director

WESTERN PROSPECTOR GROUP LTD.

By: *Signed "Dr. Sheng Zhan"*

Name: Dr. Sheng Zhan

Title: Executive Vice-President and Director

SCHEDULE "A"
FORM OF AMALGAMATION APPLICATION

BRITISH COLUMBIA
The Best Place on Earth

Ministry
of Finance
BC Registry Services

Mailing Address:
PO Box 9431 Stn Prov Govt
Victoria, BC V8W 9V3
Location:
2nd Floor - 940 Blanshard Street
Victoria BC
www.fin.gov.bc.ca/registries

Telephone: 250 356-8626

AMALGAMATION APPLICATION

FORM 13 - BC COMPANY

Sections 275
Business Corporations Act

DO NOT MAIL THIS FORM to the BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Intrnet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the *FOIPPA* and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Executive Coordinator of the BC Registry Services at 250 356-1198, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A. INITIAL INFORMATION – *When the amalgamation is complete, your company will be a BC limited company.*

What kind of company(ies) will be involved in the amalgamation?
(Check all applicable boxes.)

☑ BC company

☐ BC unlimited liability company

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

☐ The name ______________________________ is the name reserved for the amalgamated company. The name reservation number is: _________________, *OR*

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

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

The name of the amalgamating company being adopted is: Western Prospector Group Ltd.

The incorporation number of that company is: BC0562461

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

C. AMALGAMATION STATEMENT – *Please indicate the statement applicable to the amalgamation.*

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

OR

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

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

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

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

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

E. AMALGAMATING CORPORATIONS

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

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. 0856656 B.C. Ltd.	BC0856656	
2. Western Prospector Group Ltd.	BC0562461	
3.		

F. FORMALITIES TO AMALGAMATION

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

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

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

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

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
1. Dr. Sheng Zhan	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	**SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION**	**DATE SIGNED (YYYY / MM / DD)**
2. Dr. Sheng Zhan	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	**SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION**	**DATE SIGNED (YYYY / MM / DD)**
3.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	**SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION**	**DATE SIGNED (YYYY / MM / DD)**

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NOTICE OF ARTICLES

A. NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.

Western Prospector Group Ltd.

B. TRANSLATION OF COMPANY NAME

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

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

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

LAST NAME	FIRST NAME	MIDDLE NAME	DELIVERY ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE	MAILING ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE
Dr. Sheng Zhan			Room 316 No. 1 Nansixiang, Sanlihe Xicheng district, Beijing, China 100822	Room 316 No. 1 Nansixiang, Sanlihe Xicheng district, Beijing, China 100822

D. REGISTERED OFFICE ADDRESSES

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

Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8

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

Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8

E. RECORDS OFFICE ADDRESSES

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

Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8

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

Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8

F. AUTHORIZED SHARE STRUCTURE

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

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SCHEDULE "B"
FORM OF ARTICLES OF AMALCO

WESTERN PROSPECTOR GROUP LTD.

(the "Company")

PART 1
INTERPRETATION

1.1 Definitions

In these Articles, unless the context otherwise requires:

(1) "**appropriate person**", has the meaning assigned in the *Securities Transfer Act*;

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

(3) "***Business Corporations Act***" means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(4) "***Interpretation Act***" means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(5) "**legal personal representative**" means the personal or other legal representative of a shareholder;

(6) "**protected purchaser**" has the meaning assigned in the *Securities Transfer Act*;

(7) "**registered address**" of a shareholder means the shareholder's address as recorded in the central securities register;

(8) "**seal**" means the seal of the Company, if any;

(9) "***Securities Act***" means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;

(10) "**securities legislation**" means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; "**Canadian securities legislation**" means the securities legislation in any province or territory of Canada and includes the *Securities Act*; and "**U.S. securities legislation**" means the securities legislation in the federal jurisdiction of the United States and in any state of the United States and includes the Securities Act of 1933 and the Securities Exchange Act of 1934;

(11) "***Securities Transfer Act***" means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act.

1.2 Business Corporations Act and Interpretation Act Definitions Applicable

The definitions in the *Business Corporations Act* and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment. If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these Articles. If

there is a conflict or inconsistency between these Articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2
SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

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

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Shareholder Entitled to Certificate or Acknowledgment

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the *Business Corporations Act*, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or an acknowledgment to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

2.4 Delivery by Mail

Any share certificate or non-transferable written acknowledgment of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement

If the directors are satisfied that a share certificate or a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate is worn out or defaced, they must, on production to them of the share certificate or acknowledgment, as the case may be, and on such other terms, if any, as they think fit:

(1) order the share certificate or acknowledgment, as the case may be, to be cancelled; and

(2) issue a replacement share certificate or acknowledgment, as the case may be.

2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

(1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;

(2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and

(3) satisfies any other reasonable requirements imposed by the directors.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

2.7 Recovery of New Share Certificate

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

2.8 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

2.9 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.8, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.10 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3
ISSUE OF SHARES

3.1 Directors Authorized

Subject to the *Business Corporations Act* and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the directors may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

(1) consideration is provided to the Company for the issue of the share by one or more of the following:

(a) past services performed for the Company;

(b) property;

(c) money; and

(2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5 Share Purchase Warrants and Rights

Subject to the *Business Corporations Act*, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the directors determine, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

PART 4
SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain a central securities register. The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.2 Closing Register

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

PART 5
SHARE TRANSFERS

5.1 Registering Transfers

The Company must register a transfer of a share of the Company if either:

(1) the Company or the transfer agent or registrar for the class or series of share to be transferred has received:

(a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;

(b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the *Business Corporations Act* and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and

(c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of share to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or

(2) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

5.1A Waivers of Requirements for Transfer

The Company may waive any of the requirements set out in Article 5.1(1) and any of the preconditions referred to in Article 5.1(2).

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the Company or the transfer agent for the class or series of shares to be transferred.

5.3 Transferor Remains Shareholder

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

5.4 Signing of Instrument of Transfer

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

(1) in the name of the person named as transferee in that instrument of transfer; or

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

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument

of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

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

PART 6
TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the directors may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

6.2 Rights of Legal Personal Representative

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Article 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

PART 7
ACQUISITION OF COMPANY'S SHARES

7.1 Company Authorized to Purchase or Otherwise Acquire Shares

Subject to Article 7.2, the special rights or restrictions attached to the shares of any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the directors.

7.2 No Purchase, Redemption or Other Acquisition When Insolvent

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

(1) the Company is insolvent; or

(2) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

(1) is not entitled to vote the share at a meeting of its shareholders;

(2) must not pay a dividend in respect of the share; and

(3) must not make any other distribution in respect of the share.

PART 8
BORROWING POWERS

8.1 Borrowing Powers

The Company, if authorized by the directors, may:

(1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;

(2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the directors consider appropriate;

(3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and

(4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

PART 9
ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by directors’ resolution, unless an alteration to the Company's Notice of Articles would be required, in which case by ordinary resolution:

(1) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;

(2) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

(3) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

(4) if the Company is authorized to issue shares of a class of shares with par value:

  (a) decrease the par value of those shares; or

  (b) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

(5) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

(6) alter the identifying name of any of its shares; or

(7) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*;

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly.

9.2 Special Rights or Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

(1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or

(2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

9.3 Change of Name

The Company may by directors' resolution authorize an alteration to its Notice of Articles in order to change its name.

9.4 Other Alterations

If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by directors' resolution alter these Articles.

PART 10
MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

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

10.2 Resolution Instead of Annual General Meeting

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

10.3 Calling of Meetings of Shareholders

The directors may, at any time, call a meeting of shareholders, to be held at such time and place as may be determined by the directors.

10.4 Notice for Meetings of Shareholders

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

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

10.5 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.6 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Failure to Give Notice and Waiver of Notice

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

10.8 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

(1) state the general nature of the special business; and

(2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:

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

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

10.9 Notice of Dissent Rights

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

(1) if and for so long as the Company is a public company, 21 days;

(2) otherwise, 10 days.

PART 11
PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

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

(1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;

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

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

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

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

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

(e) the election or appointment of directors;

(f) the appointment of an auditor;

(g) the setting of the remuneration of an auditor;

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

(i) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights or restrictions attached to the shares of any class or series of shares and to Article 11.4, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

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

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

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

11.5 Persons Entitled to Attend Meeting

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the directors or by the chair of the meeting and any persons entitled or required under the *Business Corporations Act* or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

11.7 Lack of Quorum

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

(1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and

(2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.8 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the meeting referred to in Article 11.7(2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9 Chair

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

(1) the chair of the board, if any; or

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

11.10 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.11 Adjournments

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

11.12 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.13 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

11.14 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.15 Motion Need Not be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.16 Casting Vote

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

11.17 Manner of Taking Poll

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

(1) the poll must be taken:

(a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and

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

(2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded; and

(3) the demand for the poll may be withdrawn by the person who demanded it.

11.18 Demand for Poll on Adjournment

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

11.19 Chair Must Resolve Dispute

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

11.20 Casting of Votes

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

11.21 No Demand for Poll on Election of Chair

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.22 Demand for Poll Not to Prevent Continuance of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

11.23 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

PART 12
VOTES OF SHAREHOLDERS

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Article 12.3:

(1) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and

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

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Holders

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

(1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or

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

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders registered in respect of that share.

12.5 Representative of a Corporate Shareholder

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

(1) for that purpose, the instrument appointing a representative must be received:

  (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

  (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;

(2) if a representative is appointed under this Article 12.5:

  (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and

  (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

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

12.6 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

(1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;

(2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;

(3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or

(4) the Company is a public company or is a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of these Articles or to which the Statutory Reporting Company Provisions apply.

12.7 When Proxy Provisions Do Not Apply to the Company

If and for so long as the Company is a public company, Articles 12.8 to 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

12.8 Appointment of Proxy Holders

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

12.9 Alternate Proxy Holders

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

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

(1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or

(2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

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

12.11 Validity of Proxy Vote

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

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

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.12 Form of Proxy

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

[name of company]

(the "Company")

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

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

____
Signed [month, day, year]

____
[Signature of shareholder]

____
[Name of shareholder - printed]

12.13 Revocation of Proxy

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

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

(2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

12.14 Revocation of Proxy Must Be Signed

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

(1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy;

(2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Chair May Determine Validity of Proxy.

The chair of any meeting of shareholders may determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Part 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

12.16 Production of Evidence of Authority to Vote

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

PART 13
DIRECTORS

13.1 First Directors; Number of Directors

The first directors are the persons designated as directors of the Company in the Notice of Articles that applies to the Company when it is recognized under the *Business Corporations Act*. The number of directors, excluding additional directors appointed under Article 14.8, is set at:

(1) subject to paragraphs (2) and (3), the number of directors that is equal to the number of the Company's first directors;

(2) if the Company is a public company, the greater of three and the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4;

(3) if the Company is not a public company, the most recently set of:

(a) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and

(b) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(2)(a) or 13.1(3)(a):

(1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;

(2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors,

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

13.3 Directors' Acts Valid Despite Vacancy

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

13.4 Qualifications of Directors

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

13.5 Remuneration of Directors

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

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

PART 14
ELECTION AND REMOVAL OF DIRECTORS

14.1 Election at Annual General Meeting

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

(1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and

(2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

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

(1) that individual consents to be a director in the manner provided for in the *Business Corporations Act*;

(2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or

(3) with respect to first directors, the designation is otherwise valid under the *Business Corporations Act*.

14.3 Failure to Elect or Appoint Directors

If:

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

(2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

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

(3) when his or her successor is elected or appointed; and

(4) when he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

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

14.5 Directors May Fill Casual Vacancies

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

14.6 Remaining Directors' Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

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

14.8 Additional Directors

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

(1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or

(2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

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

14.9 Ceasing to be a Director

A director ceases to be a director when:

(1) the term of office of the director expires;

(2) the director dies;

(3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or

(4) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

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

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

PART 15
ALTERNATE DIRECTORS

15.1 Appointment of Alternate Director

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

15.2 Notice of Meetings

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

15.3 Alternate for More Than One Director Attending Meetings

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

(1) will be counted in determining the quorum for a meeting of directors once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;

(2) has a separate vote at a meeting of directors for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;

(3) will be counted in determining the quorum for a meeting of a committee of directors once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity;

(4) has a separate vote at a meeting of a committee of directors for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

15.4 Consent Resolutions

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

15.5 Alternate Director Not an Agent

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

15.6 Revocation of Appointment of Alternate Director

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

15.7 Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

(1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;

(2) the alternate director dies;

(3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;

(4) the alternate director ceases to be qualified to act as a director; or

(5) his or her appointor revokes the appointment of the alternate director.

15.8 Remuneration and Expenses of Alternate Director

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

PART 16
POWERS AND DUTIES OF DIRECTORS

16.1 Powers of Management

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

16.2 Appointment of Attorney of Company

The directors may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

PART 17
INTERESTS OF DIRECTORS AND OFFICERS

17.1 Obligation to Account for Profits

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

17.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction,

unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

17.3 Interested Director Counted in Quorum

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

17.4 Disclosure of Conflict of Interest or Property

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

17.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

17.6 No Disqualification

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

17.7 Professional Services by Director or Officer

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

17.8 Director or Officer in Other Corporations

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

PART 18
PROCEEDINGS OF DIRECTORS

18.1 Meetings of Directors

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

18.2 Voting at Meetings

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

18.3 Chair of Meetings

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

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

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

(3) any other director chosen by the directors if:

  (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

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

  (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

18.4 Meetings by Telephone or Other Communications Medium

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

(1) in person;

(2) by telephone; or

(3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

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

18.5 Calling of Meetings

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

18.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 18.1 or as provided in Article 18.7, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Article 24.1 or orally or by telephone.

18.7 When Notice Not Required

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

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

(2) the director or alternate director, as the case may be, has waived notice of the meeting.

18.8 Meeting Valid Despite Failure to Give Notice

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

18.9 Waiver of Notice of Meetings

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the directors and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director or, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

Attendance of a director or alternate director at a meeting of the directors is a waiver of notice of the meeting, unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

18.10 Quorum

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

18.11 Validity of Acts Where Appointment Defective

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

18.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors may be passed without a meeting:

(1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or

(2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Article 18.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced, whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

PART 19
EXECUTIVE AND OTHER COMMITTEES

19.1 Appointment and Powers of Executive Committee

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

(1) the power to fill vacancies in the board of directors;

(2) the power to remove a director;

(3) the power to change the membership of, or fill vacancies in, any committee of the directors; and

(4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

19.2 Appointment and Powers of Other Committees

The directors may, by resolution:

(1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;

(2) delegate to a committee appointed under paragraph (1) any of the directors' powers, except:

   (a) the power to fill vacancies in the board of directors;

   (b) the power to remove a director;

   (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and

   (d) the power to appoint or remove officers appointed by the directors; and

(3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

19.3 Obligations of Committees

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

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

(2) report every act or thing done in exercise of those powers at such times as the directors may require.

19.4 Powers of Board

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

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

(2) terminate the appointment of, or change the membership of, the committee; and

(3) fill vacancies in the committee.

19.5 Committee Meetings

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

(1) the committee may meet and adjourn as it thinks proper;

(2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;

(3) a majority of the members of the committee constitutes a quorum of the committee; and

(4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

PART 20
OFFICERS

20.1 Directors May Appoint Officers

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

20.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

(1) determine the functions and duties of the officer;

(2) delegate to the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

(3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

20.3 Qualifications

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

20.4 Remuneration and Terms of Appointment

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

PART 21
INDEMNIFICATION

21.1 Definitions

In this Article 21:

(1) "eligible penalty" means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;

(2) "eligible proceeding" means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director or alternate director of the Company (an "eligible party") or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director of the Company:

(a) is or may be joined as a party; or

(b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;

(3) "expenses" has the meaning set out in the *Business Corporations Act*.

21.2 Mandatory Indemnification of Directors

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

21.3 Permitted Indemnification

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

21.4 Non-Compliance with *Business Corporations Act*

The failure of a director, alternate director or officer of the Company to comply with the *Business Corporations Act* or these Articles or, if applicable, any former Companies Act or former Articles, does not invalidate any indemnity to which he or she is entitled under this Part 21.

21.5 Company May Purchase Insurance

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

(1) is or was a director, alternate director, officer, employee or agent of the Company (or a predecessor thereof);

(2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company (or a predecessor thereof);

(3) at the request of the Company (or a predecessor thereof), is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;

(4) at the request of the Company (or a predecessor thereof), holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

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

PART 22
DIVIDENDS

22.1 Payment of Dividends Subject to Special Rights

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

22.2 Declaration of Dividends

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

22.3 No Notice Required

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

22.4 Record Date

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

22.5 Manner of Paying Dividend

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

22.6 Settlement of Difficulties

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

(1) set the value for distribution of specific assets;

(2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and

(3) vest any such specific assets in trustees for the persons entitled to the dividend.

22.7 When Dividend Payable

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

22.8 Dividends to be Paid in Accordance with Number of Shares

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

22.9 Receipt by Joint Shareholders

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

22.10 Dividend Bears No Interest

No dividend bears interest against the Company.

22.11 Fractional Dividends

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

22.12 Payment of Dividends

Any dividend or other distribution payable in money in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the registered address of the shareholder, or in the case of joint shareholders, to the registered address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

22.13 Capitalization of Retained Earnings or Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

PART 23
ACCOUNTING RECORDS AND AUDITOR

23.1 Recording of Financial Affairs

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

23.2 Inspection of Accounting Records

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

23.3 Remuneration of Auditor

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

PART 24
NOTICES

24.1 Method of Giving Notice

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

(1) mail addressed to the person at the applicable address for that person as follows:

 (a) for a record mailed to a shareholder, the shareholder's registered address;

 (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;

 (c) in any other case, the mailing address of the intended recipient;

(2) delivery at the applicable address for that person as follows, addressed to the person:

 (a) for a record delivered to a shareholder, the shareholder's registered address;

 (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;

 (c) in any other case, the delivery address of the intended recipient;

(3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

(4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;

(5) physical delivery to the intended recipient.

24.2 Deemed Receipt

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

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

(2) faxed to a person to the fax number provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

(3) e-mailed to a person to the e-mail address provided by that person referred to in Article 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

24.3 Certificate of Sending

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

24.4 Notice to Joint Shareholders

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

24.5 Notice to Legal Personal Representatives and Trustees

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

(1) mailing the record, addressed to them:

> (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
>
> (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

(2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

24.6 Undelivered Notices

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

PART 25
SEAL

25.1 Who May Attest Seal

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

(1) any two directors;

(2) any officer, together with any director;

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

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

25.2 Sealing Copies

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

25.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Article 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 26
PROHIBITIONS

26.1 Definitions

In this Part 26:

(1) "security" has the meaning assigned in the *Securities Act*;

(2) "transfer restricted security" means

(a) a share of the Company;

(b) a security of the Company convertible into shares of the Company;

(c) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the "private issuer" exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the "private issuer" exemption.

26.2 Application

Article 26.3 does not apply to the Company if and for so long as it is a public company.

26.3 Consent Required for Transfer of Shares or Transfer Restricted Securities

No share or other transfer restricted security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

PART 27
SPECIAL RIGHTS AND RESTRICTIONS
OF CLASS A REDEEMABLE PREFERRED SHARES

The Company is authorized to issue an unlimited number of Class A Redeemable Preferred Shares without par value (the "**Class A Redeemable Preferred Shares**").

The Class A Redeemable Preferred Shares shall carry the following special rights and restrictions:

27.1 Optional Conversion

The holders of Class A Redeemable Preferred Shares shall have conversion rights as follows (the "**Conversion Rights**"):

(1) Each Class A Redeemable Preferred Share shall be convertible, without the payment of any additional consideration by the holder thereof and at the option of the holder thereof, at any time after the effective date of the amalgamation forming the Company (the "**Effective Date**") and prior to 5:00 p.m. (Pacific Time) on the second Business Day after the Effective Date (“**Expiry Time**”) at the office of the Company or any transfer agent for the Class A Redeemable Preferred Shares, into such number of fully paid and non-assessable common shares in the capital of the Company ("**Common Shares**") as is determined by making the following calculation: 38,042,666 Class A Redeemable Preferred Shares shall be converted into one fully paid and non-assessable Common Share. No fractional Common Share shall be issuable upon an optional conversion of Class A Redeemable Preferred Shares.

(2) Before any holder of Class A Redeemable Preferred Shares shall be entitled to convert the same into Common Shares, the holder shall surrender the certificate or certificates therefor, if any, at the office of the Company or of any transfer agent for the Class A Redeemable Preferred Shares, and shall give written notice to the Company at such office that the holder elects to convert the same and shall state therein the holder’s name or the name or, subject to any legal or contractual restrictions on transfer thereof, names of the holder’s nominees in which the holder wishes the certificate or certificates for Common Shares to be issued. Upon conversion, all rights with respect to the Class A Redeemable Preferred Shares so converted shall terminate, except for any of the rights of the holder thereof, upon surrender of the holder’s certificate or certificates therefor, if any, to receive certificates for the number of Common Shares into which such Class A Redeemable Preferred Shares have been converted. If so required by the Company, certificates, if any, surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by the registered holder or by the holder’s attorney duly authorized in writing. The Company shall, as soon as practicable after surrender of the certificate or certificates, if any, for conversion, issue and deliver at such office to such holder of Class A Redeemable Preferred Shares, or, subject to any legal or contractual restrictions on transfer thereof, to the holder’s nominee or nominees, a certificate or certificates for the number of Common Shares to which the holder shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Class A Redeemable Preferred Shares to be converted, and the person or persons entitled to receive the Common Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Shares on such date.

27.2 Redemption

(1) Subject to the requirements of the Business Corporations Act, the Company shall, as of 5:00 p.m. (Pacific time) on the [third] business day following the Effective Date and at the instance, and in the discretion, of the Company from time to time thereafter (the "**Time of Redemption**"), redeem the Class A Redeemable Preferred Shares in accordance with the following provisions of this Article 27.2. Except as hereinafter provided or as otherwise determined by the Company, no notice of redemption or other act or formality on the part of the Company shall be required to call the Class A Redeemable Preferred Shares for redemption.

(2) Class A Redeemable Preferred Shares, other than those converted or already redeemed as of 5:00 p.m. (Pacific time) on the third business day following the Effective Date may be redeemed at any time and from time to time by one or more resolutions (a "**Redemption Resolution**") of the Board of Directors of the Company, whether made before or after the issuance or creation of the Class A Redeemable Preferred Shares to be redeemed, stating that the Class A Redeemable Preferred Shares set out in the Redemption Resolution shall be redeemed, and shall be deemed to have been redeemed for the Redemption Amount (as defined below) in the manner and at the time specified herein and in the Redemption Resolution.

(3) At or before each Time of Redemption, the Company shall deliver or cause to be delivered to its depositary (the "**Depositary**"), at the Depositary's principal office in the City of Toronto, Province of Ontario, $0.56 (the "**Redemption Amount**") in respect of each Class A Redeemable Preferred Share to be redeemed. Delivery of the aggregate Redemption Amount in such a manner shall be a full and complete discharge of the Company's obligation to deliver the aggregate Redemption Amount to the holders of redeemed Class A Redeemable Preferred Shares.

(4) From and after the Time of Redemption, (A) the Depositary shall pay and deliver or cause to be paid and delivered to the order of the respective holders of the Class A Redeemable Preferred Shares, by way of cheque, on presentation and surrender at the principal office of the Depositary in the City of Toronto, Province of Ontario, of the certificate representing the common shares in the share capital of the Company's predecessor, Western Prospector Group Ltd., which were exchanged for Class A Redeemable Preferred Shares upon the amalgamation and/or such other documents as the Depositary may, in its discretion, consider acceptable, the total Redemption Amount payable and deliverable to such holders, respectively, net of any required withholding and (B) the holders of Class A Redeemable Preferred Shares shall not be entitled to exercise any of the rights of shareholders in respect thereof except to receive the Redemption Amount therefor, provided that if satisfaction of the Redemption Amount for any Class A Redeemable Preferred Share is not duly made by or on behalf of the Company in accordance with the provisions hereof, then the rights of such holders shall remain unaffected. Under no circumstances will interest on the Redemption Amount be paid by the Company whether as a result of any delay in paying the Redemption Amount or otherwise.

(5) From the Time of Redemption, each Class A Redeemable Preferred Share in respect of which deposit of the Redemption Amount is made shall be deemed to be redeemed and cancelled, the Company shall be fully and completely discharged from its obligations with respect to the payment of the Redemption Amount to such holders of Class A Redeemable Preferred Shares, and the rights of such holders shall be limited to receiving the Redemption Amount payable to them on presentation and surrender of the said certificates held by them or other documents respectively as specified above. Subject to the requirements of applicable law with respect to unclaimed property, if the Redemption Amount has not been fully claimed and paid in accordance with the provisions hereof within six years of the Effective Date, the Redemption Amount, including without limitation all interest thereon, shall be forfeited to the Company and any person who surrenders certificates after the sixth anniversary of the effective time of such amalgamation application will not be entitled to the Redemption Amount or other compensation.

27.3 Priority

The Common Shares shall rank junior to the Class A Redeemable Preferred Shares and shall be subject in all respects to the rights, privileges, restrictions and conditions attaching to the Class A Redeemable Preferred Shares.

27.4 Dividends

The holders of the Class A Redeemable Preferred Shares shall not be entitled to receive any dividends thereon.

27.5 Voting Rights

Except as otherwise provided in the Business Corporations Act, the holders of the Class A Redeemable Preferred Shares shall not be entitled to receive notice of, to attend or to vote at any meeting of the shareholders of the Company.

27.6 Liquidation, Dissolution or Winding-Up

In the event of the liquidation, dissolution or winding-up of the Company or any other distribution of the property or assets of the Company among its shareholders for the purpose of winding-up its affairs, and subject to the extinguishment of the rights of holders of Class A Redeemable Preferred Shares upon satisfaction of the Redemption Amount in respect of each Class A Redeemable Preferred Share, the holders of Class A Redeemable Preferred Shares shall be entitled to receive and the Company shall pay to such holders, before any amount shall be paid or any property or assets of the Company shall be distributed to the holders of Common Shares or any other class of shares ranking junior to the Class A Redeemable Preferred Shares as to such entitlement, an amount equal to the Redemption Amount for each Class A Redeemable Preferred Share held by them respectively and no more. After payment to the holders of the Class A Redeemable Preferred Shares of the amounts so payable to them as hereinbefore provided, they shall not be entitled to share in any further distribution of the property or assets of the Company.

PART 28
"REPORTING ISSUER" STATUS

28.1 Number of Shareholders

Effective immediately upon the Company ceasing to be a "reporting issuer" under the Securities Act (British Columbia), the number of shareholders of the Company shall be limited to fifty, not including persons who are in the employment of the Company and persons, who, having been formerly in the employment of the Company, were, while in that employment, and have continued after the termination of that employment to be, shareholders of the Company, two or more persons holding one or more shares jointly being counted as a single shareholder.

28.2 Distribution to Public

Effective immediately upon the Company ceasing to be a "reporting issuer" under the Securities Act (British Columbia), any distribution of securities of the Company to the public or any invitation to the public to subscribe for securities of the Company shall be prohibited.

APPENDIX "C"

SECTION 272 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Shareholders may dissent

272 Any shareholder of an amalgamating company may send a notice of dissent, under Division 2 of Part 8, in respect of a resolution under section 271(6) to adopt an amalgamation agreement, to the amalgamating company of which the person is a shareholder or, if the amalgamation has taken effect, to the amalgamated company.

DIVISION 2 OF PART 8 OF THE BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to

dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

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