NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

AND INFORMATION CIRCULAR

To be held on Monday, April 20, 2020

Dated: March 11, 2020

MAG ONE PRODUCTS INC.
Suite 600, 777 Hornby Street
Vancouver, British Columbia, V6Z 1S4
www.magoneproducts.com

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the **Annual General and Special** meeting (the "**Meeting**") of **MAG ONE PRODUCTS INC.** (the "**Company**") will be held at Suite 1050, 400 Burrard Street, Vancouver, British Columbia, on **Monday, April 20, 2020,** at **10:00 a.m**. (PST) for the following purposes:

- to receive the audited financial statements of the Company for the financial year ended September 30, 2019, together with the auditor's report thereon;
- to fix number of directors at three (3);
- to elect directors for the ensuing year;
- to appoint Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing year, and to authorize the directors to fix the remuneration to be paid to the auditor;
- to consider and if deemed appropriate, to pass with or without amendment, a special resolution approving an Earn-In Agreement with Blue Lagoon Resources Inc. (the "**Earn-In Agreement Transaction Resolution**") as more particularly described in the accompanying Information Circular;
- to consider and if deemed advisable, to pass, with or without variation, a special resolution to approve the cancellation of the Company's existing form of Articles and the adoption of a new form of Articles (the "**New Articles Resolution**") as more particularly described in the accompanying Information Circular;
- to consider and if deemed advisable, to pass, with or without variation, should the New Articles Resolution not be passed, a special resolution to approve the amendment of the existing Articles of the Company, in accordance with the *Business Corporations Act* (British Columbia) to include the Advance Notice Provisions (the "**Advance Notice Provisions Resolution**") as more particularly described in the accompanying Information Circular; and
- to transact such business as may properly come before the Meeting or any adjournments thereof.

The accompanying management information circular (the "**Information Circular**") provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying this Notice are (i) Form of Proxy or Voting Instruction Form, and (ii) Financial Statement Request Form. Any adjournment of the Meeting will be held at a time and place to be specified at the Meeting.

Only shareholders of record at the close of business on **March 11, 2020**, will be entitled to receive notice of and vote at the Meeting. Shareholders are entitled to vote at the Meeting either in person or by proxy. Each common share (the "**Common Shares**") is entitled to one vote.

Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.

DATED at Vancouver, British Columbia, Canada, on this **11th** day of **March, 2019**.

BY ORDER OF THE BOARD OF DIRECTORS:

Signed: "Tony Louie"
TONY LOUIE
Chief Executive Officer, President and Director

MAG ONE PRODUCTS INC.
Suite 600, 777 Hornby Street
Vancouver, British Columbia, V6Z 1S4
www.magoneproducts.com

MANAGEMENT INFORMATION CIRCULAR

SECTION 1 – INTRODUCTION

This management information circular (the "**Information Circular**") accompanies the notice of annual and special meeting (the "**Notice**") and is furnished to shareholders (the "**Shareholders**" and each a "**Shareholder**") of record as at the close of business on **March 11, 2020** (the "**Record Date**") holding common shares (the "**Common Shares**" and each a "**Share**") in the capital of **MAG ONE PRODUTS INC (the "Company" or "MOPI")** in connection with the solicitation by the management of the Company of proxies to be voted at the annual and special meeting (the "**Meeting**") of the Shareholders to be held at 10:00 a.m. (Pacific Time) on **Monday, April 20, 2020 at 10:00 a.m. (PST) at Suite 1050, 400 Burrard Street, Vancouver, British Columbia, Canada, or any adjournment thereof.**

DATE AND CURRENCY

The date of this Circular is March 11, 2020. Unless otherwise stated, all amounts herein are in Canadian dollars.

QUORUM

The quorum for the transaction of business a meeting of shareholders is one shareholder, represented in person or by proxy.

NOTICE AND ACCESS

The Company is not relying on the "Notice and Access" delivery procedures outlined in National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* to distribute copies of proxy-related materials in connection with the Meeting by posting them on a website.

SECTION 2 – GENERAL PROXY INFORMATION

MANAGEMENT SOLICITATION

This Management Information Circular is being mailed by the management of Mag One Products Inc. (the "Company" or "MOPI") to shareholders of record at the close of business on March 11, 2020, which is the date that has been fixed by the board of directors of the Company (the "Board") as the record date (the "Record Date") to determine the shareholders who are entitled to receive notice of the meeting.

The Company is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of the Company for use at its annual general and special meeting (the "**Meeting**") of the shareholders that is to be held on **Monday, March 11, 2020** at 10:00 a.m. (PST) at Suite 1050 – 400 Burrard Street, Vancouver, British Columbia, V6C 3A6. The solicitation of proxies will be primarily by mail. Certain directors, officers or employees of the Company may also solicit proxies by telephone or in person. The cost of solicitation will be borne by the Company.

APPOINTMENT OF PROXYHOLDERS

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors and officers of the Company.

If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the person designated in the Proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.

VOTING BY PROXYHOLDERS

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the person named therein with respect to:

(a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;

(b) any amendment to or variation of any matter identified therein; and

(c) any other matter that may properly come before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the management appointee acting as proxyholder will vote IN FAVOUR of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the proxy.

REGISTERED SHAREHOLDERS

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholder electing to submit a Proxy may do so by using one of the following methods:

(a) complete, date and sign the enclosed Proxy and return it to the Company's transfer agent, Computershare Investor Services Inc., (the "**Computershare**") located at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, or by fax within North America at 1-866-249-7775 or outside North American at 1-416-263-9524.

(b) use a touch tone phone to transmit voting choices to the toll free number given on the Proxy. Registered Shareholder who choose this option must follow the instructions of the voice response system and refer to the enclosed Proxy for the toll free number; the Shareholder's account number and the proxy access number or;

(c) via Computershare's internet website www.investorvote.com. Registered Shareholder who choose this option must follow the instruction that appear on the screen and refer to the enclosed proxy form for the Shareholder's account number and proxy access number.

In all cases, the Proxy must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof.

REVOCATION OF PROXIES

In addition to revocation in any other matters permitted by law, a Registered Shareholder who has given a proxy may revoke it by

(a) Executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare, or at the legal counsel of the Company located at Suite 1050 – 400 Burrard Street, Vancouver, British Columbia, V6C 3A6, at any time up to and including the last business day that precedes the day of the Meeting

or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof or in any other manner provided by law, or

(b) personally attending the Meeting and voting the Registered Shareholder's Common Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

BENEFICIAL SHAREHOLDERS

The following information is of significant importance to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose name appear on the records of the Company as the registered holder of Common Shares) or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases, those Common Shares will be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries (the "**Intermediary**" or "**Intermediaries**"). In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms), and in the United States, under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks).

Intermediaries are required to seek instructions from Beneficial Shareholders in advance of meetings of shareholders. Every intermediary has its own mailing process and provides its own return instruction to clients.

There are two kinds of Beneficial Shareholders:

(a) Beneficial Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as "**NOBOs**".

(b) Beneficial Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as "**OBOs**".

Pursuant to NI 54-101 – *Communications with Beneficial Owners of Securities of Reporting Issuers* (the "**NI 54-101**"), the Company distributes copies of the Notice of Meeting, this Circular and the Proxy (collectively the "**Meeting Materials**") to the depository and intermediaries for onward distribution to Beneficial Shareholders. The Company does not send the Meeting Materials directly to Beneficial Shareholders.

Intermediaries that receive the Meeting Materials are required to forward the Meeting Materials to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the proxy-related materials to Beneficial Shareholders.

The Company will not be paying for Intermediaries to deliver to OBOs. Accordingly, an OBO will not receive copies of the Meeting Materials unless the OBO's Intermediary assumes the costs of delivery.

These Meeting Materials are being sent to both Registered Shareholders and Beneficial Shareholders of the securities of the Company. If you are a Beneficial Shareholder, and the Company or its agent sent these Meeting Materials to you directly, your name and address and information about your holdings of securities were obtained in accordance with applicable securities regulatory requirements by the Intermediary holding securities on your behalf.

If you are a Beneficial Shareholder

If you are a Beneficial Shareholder you should carefully follow the instructions of your broker or Intermediary in order to ensure that your Common Shares are voted at the Meeting.

The proxy form supplied to you by your broker will be similar to the Proxy provided to Registered Shareholder by the Company. However, its purpose is limited to instructing the Intermediary on how to vote your Common Shares

on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (the "**Broadridge**") in Canada and in the United States. Broadridge mails a Voting Instruction Form (the "**VIF**") in lieu of the Proxy provided b the Company. The VIF will name the same persons as are named on the Proxy provided by the Company to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company) who is different from any of the persons designated in the VIF, to represent your Common Shares at the Meeting, and that person may be you. To exercise this right, insert the name of the desired representative, which may be you, in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge will then tabulate the results of all instructions received and provide appropriate instructions representing the voting of Common Shares to be represented at the Meeting and the appointment any Shareholders representative. **If you receive a VIF from Broadridge, the VIF must be completed, and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting to vote your Common Shares.**

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The solicitation of proxies is not subject to the requirements of Section 14(a) of the United States *Securities and Exchange Act of 1934* as amended (the "**U.S. Exchange Act**"), by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 of the U.S. Exchange Act. Accordingly, this Circular has been prepared in accordance with applicable Canadian disclosure requirements. Residents of the United States should be aware that such requirements differ from those of the United Sates applicable to proxy statements under the U.S. Exchange Act.

This document does not address any income tax consequences of the disposition of the Company's shares by Shareholders. Shareholders in a jurisdiction outside of Canada should be aware that the disposition of shares by them may have tax consequences both in those jurisdictions and in Canada, and are urged to consult their tax advisors with respect to their particular circumstances and the tax consideration appliable to them.

Any information concerning any properties and operations of the Company has been prepared in accordance with Canadian standards under applicable Canadian securities laws, and my not be comparable to similar information for United States companies,

If financial statements are included or incorporated by reference herein, they gave been prepared in accordance with international Financial Reporting Standards, as issued by the international Accounting Standards Board, and are subject to auditing and auditor independence standards in Canada. Such consequences for Company Shareholders who are resident in, or citizens of the United Sates may not be described fully in this Circular.

The enforcement by the Company Shareholders of civil liabilities under the United States federal securities laws may be affected adversely by fact that the Company is incorporated or organized under the laws of a foreign country, that some or all of their directors and officers and the experts named herein are residents of a foreign country and that the major assets of the Company are located outside the United Sates.

SECTION 3 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Class A common shares without par value (the "**Common Shares**") which Common Shares are listed on the Canadian Securities Exchange (the "**CSE**"). As at the close of business on the Record Date being **March 11, 2020, 55,042,903** Common Shares were issued and outstanding each carrying the right to one vote.

The Company is also authorized to issue an unlimited number of non-voting Class Blass B preferred shares (the "**Preferred Shares**"). As at the close of business on the Record Date being **March 11, 2020,** there were no Preferred Shares were issued and outstanding.

To the knowledge of the directors and executive officers of the Company, as at March 11, 2020 there is no persons or corporation that beneficially owned, directly or indirectly, or exercised control or direction over Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

SECTION 4 - THE BUSINESS OF THE MEETING

With respect to standard resolutions, a simple majority of affirmative votes cast in person or represented by proxy at the Meeting is required to pass the standard resolutions described herein.

With respect to special resolutions, a minimum majority of two thirds of affirmative votes cast in person or represented by proxy at the Meeting is required to pass the special resolutions described herein.

If there are more nominees for election as directors or appointment of the Company's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the financial year ended **September 30, 2019** will be placed before you at the Meeting. They have been mailed to the shareholders who have requested they receive a copy. The audited financial statements for the financial year ended **September 30, 2019** are available through the Internet on SEDAR at www.sedar.com.

No approval or other action needs to be taken at the Meeting in respect of these documents.

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, both of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Financial Statement Request Form attached to this Information Circular and send it to the Company.

ELECTION OF DIRECTORS

Number of Directors

Under the Company's Articles and pursuant to the *Business Corporations Act* (British Columbia), the number of directors may be set by ordinary resolution but shall not be fewer than three. The Company currently has **three (3)** directors. All of the current directors are being put forward by management of the Company for election at the Meeting.

The Company's management recommends that the shareholders vote in favour of the resolution setting the number of directors at three (3). Unless you give other instructions, the Management Proxyholders intend to vote FOR the resolution setting the number of directors at three (3).

Nominees for Election

Directors of the Company are elected for a term of one year. The term of office of each of the nominees proposed for election as a director will expire at the Meeting, and each of them, if elected, will serve until the close of the next annual general meeting, unless they resign or otherwise vacates office before that time.

The following table sets out the names of management's nominees for election as directors of the Company; all offices in the Company each nominee now holds; each nominee's principal occupation, business or employment; the period of time during which each nominee has been a director of the Company; and the number of common shares, that are beneficially owned, directly or indirectly, or over which control or direction is exercised, by each nominee as at Record Date.

Each of the nominees has agreed to stand for election and management of the Company is not aware of any intention of any of them not to do so. Management does not contemplate that any of the nominees will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed form of proxy reserve the right to vote for other nominees in their discretion.

Name of Nominee; Current Position with the Company and Province; and Country of Residence	**Period as a director of the Company**	**Present Principal Occupation**[1]	**Common Shares Beneficially Owned or Controlled**[2]
Tony Louie[3] President, Chief Executive Officer, Interim Chief Financial Officer, Director Richmond, British Columbia	February 18, 2020	Mr. Louie is a self-employed business consultant since 2009.	Nil
Frank Vlastelic[3] Director Burnaby, British Columbia	July 15, 2019	Mr. Vlastelic is President and Director of Bestview Construction Ltd., a general contracting company involved in the construction and renovation of residential and commercial properties since 1995.	5,045,000
Drew Brass[3] Director West Vancouver, British Columbia	March 6, 2020	Mr. Brass is a self-employed business consultant with Mercury Communications specializing in corporate communications for junior publicly listed companies since 1994.	Nil

Notes:

(1) The information as to principal occupation, business or employment has been furnished by the respective nominees.

(2) The information as to the common share beneficially owned or controlled, not being within the knowledge of management of the Company has been furnished by the respective person, has been extracted from the list of registered shareholders maintained by the Company's transfer agent, has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders (www.sedi.ca).

(3) Member of the Audit Committee.

The Company's management recommends that the shareholders vote in favour of the election of the proposed nominees as directors of the Company for the ensuing year. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the nominees named in this Information Circular.

APPOINTMENT OF THE AUDITOR

At the Meeting, Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, located at Suite 1500 – 1140 West Pender Street, Vancouver, British Columbia. V6E 4G1, will be recommended by management and the Board of Directors for re-appointment as auditor of the Company at a remuneration to be fixed by the directors. See Section 6 – Audit Committee – External Service Fees.

The Company's management recommends that the shareholders vote in favour of the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, as the Company's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the appointment of Dale Matheson Carr-Hilton LaBonte LLP, Chartered Professional Accountants, to act as the Company's auditor until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of Directors to fix the remuneration to be paid to the auditor.

EARN-IN AGREEMENT TRANSACTION

The Company entered into an Earn-In and Operating Agreement with Blue Lagoon Resources Inc. (the "**BLLG**") dated January 6, 2020 (the "**Earn-In Agreement**") pursuant to which the Company and its wholly-owned subsidiary, Mag One Operations Inc. (the "**Mag One**") have agree to grant Blue Lagoon options to acquire up to a 70% equity joint venture ownership interest in Mag One, in accordance with the terms of the Earn-In Agreement, a copy of which is available through the Internet on SEDAR at www.sedar.com.

Shareholders of the Company are being asked to consider and, if thought advisable, approve the transaction by voting in favor of the special resolution (the "**Earn-In Agreement Transaction**") set out below. The Earn-In Agreement Transaction will not become effective without the affirmative vote of at least two thirds of the votes cast by the Company's shareholders who vote in person or by proxy on the Earn-In Agreement Transaction resolution at the Meeting.

On February 28, 2020, Mag One and BLLG agreed that the First Closing date conditions were met and those that were not, would either be moved to the second closing or delayed until April 20, 2020 or waived.

Background to Transaction

As previously disclosed by the Company, the Board is focused on the development and commercialization of technologies for the processing and production of magnesium (Mg) metal, Mg-related compounds, by-products and co- products from already mined, above ground serpentinite tailings. The Company's wholly owned subsidiary Mag One Operation Inc. (the "**Mag One**") has (i) exclusive access to 50M tonnes of tailings piles located at the Jeffrey mine in Asbestos, Québec; and (ii) rights to remove 60M tonnes of tailings from the tailings pile located at the Thetford mine in Thetford Mines, Québec (the "**Properties**"), through agreements with Mine Jeffrey Inc., Beausite Metal and Asbestos Corp Limited (the "**Processing Agreements**"). Prior to the First Closing Date, Mag One confirms that it holds an exclusive license (the "**License Agreement**") with 8200475 Canada Inc. ("**Tech Magnesium**") to use and option to acquire a 100% ownership of a new thermal technology to produce magnesium metal. Mag One and Tech Magnesium are collaborating to finalize the development and commercialization of the Tech Magnesium technology to produce magnesium metal (the "**Assets**").

The Parties wish to operate Mag One as a corporate joint venture for the purpose of funding the establishment and operation of one or more pilot and commercial scale plants for the purpose of producing magnesium oxide and magnesium metal, initially from tailings located at the Properties.

Terms and Conditions of the Earn-In Agreement Transaction

a) Blue Lagoon may exercise the 50% Option in consideration for a total of $3,750,000 payable in cash (the "50% Option Consideration") to Mag One as follows:

   i. $100,000 (the "First Consideration Payment") on or prior to the First Closing Date, which is inclusive of funds advanced by Blue Lagoon prior to the Effective Date;

   ii. an additional $300,000 (the "Second Consideration Payment") on or before the date that is three months following the First Closing Date;

   iii. an additional $750,000 (the "Third Consideration Payment") on or before the date that is eight months following the First Closing Date;

   iv. an additional $1,100,000 (the "Fourth Consideration Payment") on or before the date that is 12 months following the First Closing Date; and

   v. an additional $1,500,000 (the "Fifth Consideration Payment") on or before the date that is 18 months following the First Closing Date.

b) Subject to the MOPI Shareholder Approval and the exercise of the 50% Option, Blue Lagoon may exercise the 20% Option in consideration for a total of $1,500,000 (the "Sixth Consideration Payment") payable in cash (the "20% Option Consideration" and, together with the 50% Option Consideration, the

"Consideration") to Mag One on or before the date that is 24 months following the First Closing Date.

If the payment of Consideration is not made within the timeframes provided in this Agreement, then Mag One may provide Blue Lagoon with 15 days' notice to make the payment, failing which

(i) the unearned portion of the 50% Option and the 20% Option, as applicable, together with this Agreement, will be deemed to have terminated; and

(ii) (ii) MOPI will be granted the right and option to purchase the Mag One Shares held by, or to which Blue Lagoon is entitled, at a price of the lesser of the aggregate Consideration paid by Blue Lagoon in connection with the Transaction, or 60% of the fair market value of Mag One, in each case as at the date of such termination. For the purposes of the foregoing fair market value will be determined by a qualified independent business valuator jointly selected by Blue Lagoon and MOPI, failing which either party may engage E&Y Canada or PWC Canada. The Parties agree that the cost of the valuation will be shared by the Parties equally

Representations and Warranties

The Earn-In Agreement includes representations and warranties customary for an arm's length transaction of this nature.

Risk Factors

In assessing the Earn-In Agreement Transaction, shareholders should carefully consider the risk factors relating to the Earn-In Agreement Transaction and those identified in this Circular before deciding how to vote or instruct their vote to be case to approve the Earn-In Agreement Transaction resolution. Shareholders are cautioned that such risk factors are not exhaustive and additional risks and uncertainties, including those currently unknown or not considered material to the Company ma also affect the Company, the successful completion of the Earn-In Agreement Transaction and/or its benefits.

- Conditions Precedent: the completion of the Earn-In Agreement Transaction is subject to a number of conditions precedent, certain of which are outside of the control of the Company. There can be no certainty that any or all such conditions will be satisfied, or the period of time it will take to satisfy such conditions. The Earn-In Agreement Transaction is also subject to the approval of the CSE.
- Nature of Earn-In: As is customary in any earn-in transaction, BLLG has no obligation under the Earn-In Agreement to complete the transaction under the Earn-In Agreement. The Earn-In Agreement may be terminated if the payment of consideration is not made within the timeframes provided in this Agreement, then Mag One may provide BLLG with 15 days' notice to make the payment, failing which (i) the unearned portion of the 50% Option and the 20% Option, as applicable, together with this Agreement, will be deemed to have terminated; and (ii) the Company will be granted the right and option to purchase the Mag One Shares held by, or to which BLLG is entitled, at a price of the lesser of the aggregate Consideration paid by BLLG in connection with the Earn-In Agreement Transaction, or 60% of the fair market value of Mag One, in each case as at the date of such termination. For the purposes of the foregoing fair market value will be determined by a qualified independent business valuator jointly selected by BLLG and the Company, failing which either party may engage E&Y Canada or PWC Canada. The Parties agree that the cost of the valuation will be shared by the Parties equally.

Conclusion

In arriving at its conclusion to enter into the Earn-In Agreement and recommend that shareholders approve the Earn-In Agreement Transaction, the board of directors considered, among other things:

- The value of the overall consideration being offered by BLLG and the fact that BLLG is financially capable and is well positioned to complete the transaction as per the terms of the Earn-In Agreement Transaction and manage and operate the project;

- The general economic and financial consideration of the Company, both on a historical and a prospective basis, including the financial prospects of the Company and its subsidiaries;

The Board considers that the following factors make the Earn-In Agreement Transaction advantageous and in the best interest of the Company as a whole, and its shareholders:

- Operating Capital to the Company during the Option Term: The acquisition of the initial 50% interest in option payments which will result in $3,750,000 of gross proceeds to Mag One and the remaining 20% interest in option payments which will result in a further $1,500,000 of gross proceeds to Mag One, will provide immediate funding for past, present and future operational obligations.
- Strategic Investment Partner: BLLG is a BC company listed on the CSE with a substantial working capital position along with a strong management and technical team capable of accessing capital markets to advance the proposed project under the Earn-In Agreement Transaction.
- Risk Mitigation: the Earn-In Agreement Transaction mitigates Company's risk associated with the funding of scientific research and development technologies necessary to commercialization production of magnesium and its by-products.
- Reduce Dilution Risk: at this time, the Company does not have sufficient funds to further its plans to prove, advance, develop and commercialize production of environmentally sustainable magnesium metal and its co-products and by-products. By entering into a cash only Earn-In Agreement Transaction, the Company will not dilute its outstanding share structure.

The Board UNANIMOUSLY RECOMMENDS that the shareholders of the Company vote FOR the Earn-In Agreement Transaction resolution to approve the Earn-In Agreement Transaction.

Shareholder Approval

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the following Earn-In Agreement Transaction resolution:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The execution and delivery of the Earn-In Agreement (the "**Agreement**") dated for reference January 6, 2020 among the Company and Blue Lagoon Resources Inc. (the "**BLLG**"), be and is hereby ratified, confirmed and approved;
2. The option of the assets as outlined in the Agreement to BLLG for the consideration and upon the terms and conditions set forth in the Agreement be and is hereby ratified, confirmed and approved;
3. The performance by the Company of its obligations under the Agreement, be and is hereby ratified, confirmed and approved;
4. Any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company:
    a. to make any amendments to the Agreement as such director or officer, in their sole discretion, deems appropriate and the approval of the Company to such terms shall be conclusively evidenced by such director or officer's signature thereon; and
    b. to do all such acts and things and execute and deliver such other deeds, documents, certificates, instruments, or other writings, and to take such actions, as may be necessary, desirable or useful to carry out and give effect to this resolution and the Agreement; and
5. Do all such acts performed and any documents executed, delivered, filed or registered prior to the date of these resolutions by any one director or officer of the Company relating to matters dealt with in these resolutions are hereby ratified, confirmed and approved".

The Company's management recommends that the shareholders vote in favour of the Earn-In Agreement with Blue Lagoon Resources Inc. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the Earn-In Agreement with Blue Lagoon Resources Inc.

NEW ARTICLES

The articles of the Company, among other things, set out rules for the conduct of its business and affairs. The Company's existing articles (the "**Existing Articles**") have not been updated since 2007. Management of the Company believe it to be in the best interest of the Company to adopt a new form of articles (the "**New Articles**"). A copy of the New Articles are attached hereto as Schedule "A" to the Management Information Circular.

The proposed New Articles will bring the Company up-to-date with current corporate practices under the *Business Corporations A*ct (British Columbia) for companies whose shares are listed on the Canadian Securities Exchange. Shareholders may review a copy of the proposed new Articles at the Company's office located at Suite 600 – 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4 during normal business hours until the date of the Meeting and at the Meeting itself.

Included in the new form of Articles are provisions requiring advance notice of director nominees from shareholders. Please refer to the section below titled "**Advance Notice Provisions**". If the Advance Notice Policy is not approved, the Advance Notice Provisions will not be included in the new form of Articles. Holders of Common Shares will each be entitled to vote on the special resolution regarding the New Articles.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the following New Articles special resolution:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The cancellation of the existing Articles of the Company and the adoption of a new form of Articles in the form attached as Schedule "A" to the Information Circular prepared for the annual general and special meeting of the Company held on April 20, 2020 for Company be and is hereby approved;
2. The Board of Directors of the Company be and are hereby authorized to revoke this special resolution and abandon or terminate the cancellation of the existing Articles and the adoption of a new form of Articles for the Company if the Board deems it appropriate and in the best interests of the Company to do so, without further confirmation, ratification or approval of the shareholders; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolution."

The Company's management recommends that the shareholders vote in favour of the cancellation of the existing Articles of the Company and the adoption of a new form of Articles for the Company. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the cancellation of the existing Articles and the adoption of the new form of Articles for the Company.

ADVANCE NOTICE PROVISIONS

Introduction

The Board is proposing that if the New Articles Resolution is not passed, that the existing Articles of the Company be amended by special resolution to include advance notice provisions (the "**Advance Notice Provisions**"), intended to: (i) facilitate an orderly and efficient annual general or, where the need arises, special, meeting; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote having been afforded reasonable time for appropriate deliberation.

Purpose of the Advance Notice Provisions

The purpose of the Advance Notice Provisions is to provide shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice Provisions fix a deadline by which holders of record of Shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and set forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any director nominee to be eligible for election at any annual or special meeting of shareholders.

Effect of the Advance Notice Provisions

Subject only to the *Business Corporations Act* (British Columbia) and the Advance Notice Provisions incorporated into the Company's Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders, if one of the purposes for which the special meeting was called was the election of directors.

In order to be eligible for election to the Board at any annual meeting or special meeting of shareholders, persons must be nominated in accordance with one of the following procedures:

(a) by or at the direction of the Board, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a valid proposal made in accordance the provisions of the *Business Corporations Act* (British Columbia) , or a requisition of the shareholders made in accordance with the *Business Corporations Act* (British Columbia) ; or

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

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given (a) timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this Advance Notice Provisions and (b) the representation and agreement with respect to each candidate for nomination as required by, and within the time period specified in this Advance Notice Provisions.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the tenth (10^{th}) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the fifteenth (15^{th}) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders, or the announcement thereof, or the reconvening of any adjourned or postponed meeting of shareholders commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above.

To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:

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

(i) the name, age, business address and residential address of the person;

(ii) the principal occupation and employment history for the past five years of the person;

(iii) the citizenship of such person;

(iv) a personal information form in the form prescribed by the appropriate securities exchange;

(v) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice;

(vi) a statement as to whether such person would be "independent" of the Company (within the meaning of applicable securities law) if elected as a director at such meeting and the reasons and basis for such determination;

(vii) confirmation that such person is not prohibited or disqualified from acting as a director; and

(viii) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* (British Columbia) and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice:

(i) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* (British Columbia) and Applicable Securities Laws (as defined below); and

(ii) the class or series and number of Shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as a director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, or such proposed nominee.

To be eligible to be a candidate for election as a director of the Company and to be duly nominated, a candidate must be nominated in the manner prescribed in the Advance Notice Provisions and the candidate for nomination, whether nominated by the board or otherwise, must have previously delivered to the Corporate Secretary of the Company at the principal executive offices of the Company, not less than 5 days prior to the date of the meeting of shareholders, a written representation and agreement (in form provided by the Company) that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director (and, if requested by any candidate for nomination, the Corporate Secretary of the Company shall provide to such candidate for nomination all such policies and guidelines then in effect).

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provisions; provided, however, that nothing in the Advance Notice Provisions shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of

shareholders of any matter that is properly brought before such meeting pursuant to the *Business Corporations Act* (British Columbia) or at the discretion of the chair of the meeting. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding any other provision of the Advance Notice Provisions, notice or any delivery given to the Corporate Secretary of the Company pursuant to the Advance Notice Provisions may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in this Advance Notice Provisions or the delivery of a representation and agreement as described in this Advance Notice Provisions.

Shareholder Confirmation

In order to implement the Advance Notice Provisions, the shareholders of the Company will be asked to consider and, if thought fit, pass a special resolution, to amend the Company's Existing Articles. The full text of the proposed alteration to the Company's Articles to include the Advance Notice Provisions is attached to this Circular as Schedule "B".

If the Advance Notice Provisions Resolution is passed, the amendment to the Articles will become effective on the date and time that the special resolution is received for deposit at the Company's records office, which the Company anticipates will be immediately after the Meeting.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the following Advance Notice Provisions special resolution:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The Articles of the Company be and are hereby amended by adding the text substantially in the form attached as Schedule "B" to the Information Circular prepared for the annual general and special meeting of the Company held on April 20, 2020, as and at Article 14.12, the Advance Notice Provisions of the Articles;

2. The Board of Directors of the Company be and are hereby authorized to revoke this special resolution and abandon or terminate the alteration of the Articles if the Board deems it appropriate and in the best interests of the Company to do so, without further confirmation, ratification or approval of the shareholders; and

3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolution."

Recommendation

A majority vote of a minimum of two-thirds of the votes cast on the resolution must be received in order to pass the above special resolution. Management and the Board of Directors of the Company believe the Advance Notice Provisions will provide a clear framework for nominating directors. The Company's management

recommends that the shareholders vote in favour of the Advance Notice Provisions. Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the Advance Notice Resolution.

OTHER BUSINESS

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the common shares represented by the proxies solicited hereby will be voted on such matter in accordance with the best judgement of the persons voting by proxy.

SECTION 5 – EXECUTIVE COMPENSATION

GENERAL

For the purpose of this Statement of Executive Compensation:

"Company" means Mag One Products Inc.;

"compensation securities" includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

"**external management company**" includes a subsidiary, affiliate or associate of the external management company;

"**NEO**" or "**named executive officer**" means each of the following individuals:

(a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer ("**CEO**"), including an individual performing functions similar to a CEO;

(b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer ("**CFO**"), including an individual performing functions similar to a CFO;

(c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year ended **September 30, 2019** whose total compensation was more than $150,000 for that financial year; and

(d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

"**plan**" includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

"**underlying securities**" means any securities issuable on conversion, exchange or exercise of compensation securities.

Based on the foregoing definitions, during the most recently completed financial year, the Company had **four (4)** NEOs, namely Gillian Holcroft, Former President, Former Chief Executive Officer, Former Interim Chief Financial Officer, Arnab Kumar De, Former Chief Financial Officer, William Thomas, Former

DIRECTOR AND NEO COMPENSATION

Director and NEO compensation, excluding options and compensation securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or its subsidiary, to each NEO and director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or a director of the Company for services provided and for services to be provided, directly or indirectly, to the Company or its subsidiary.

Table of compensation excluding compensation securities							
Name and Principal Position	**Year**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of Perquisites ($)**	**Value of all other compensation ($)**	**Total compensation ($)**
Frank Vlastelic [(1)] *Director*	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Gillian Holcroft [(2)] *Former President, Former Chief Executive Officer, Former Chief Financial Officer and Former Director*	2019	192,000 [(3)]	Nil	Nil	Nil	Nil	192,000
	2018	144,000	Nil	Nil	Nil	24,000	168,000
Rod Burylo [(4)] *Former Director*	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Dean Journeaux [(5)] *Former Director*	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Arnab Kumar De [(6)] *Former Chief Financial Officer*	2019	11,125 [(7)]	Nil	Nil	Nil	Nil	11,125
	2018	N/A	N/A	N/A	N/A	N/A	N/A
William Thomas [(8)] *Former Chief Financial Officer, Former Secretary and Former Director*	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Nelson Skalbania [(9)] *Former Chief Executive Officer, Former Interim Chief Financial Officer and Former Director*	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	72,000	Nil	Nil	Nil	53,500	125,500
James Blencoe [(10)] *Former Director*	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Charn Deol [(11)] *Former Director*	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Frank Vlastelic was appointed as a Director effective July 15, 2019.

(2) Gillian Holcroft was President and a Director of the Company from February 10, 2017 until March 10, 2020. She was Chief Executive Officer of the Company from August 22, 2018 until March 10, 2020. She was Interim Chief Financial Officer from December 8, 2019 until March 10, 2020.
(3) Payment to Gillian Holcroft was made to GLH Strategic Consulting Inc., a company wholly owned by Gillian Holcroft.
(4) Rod Burylo was a Director of the Company from December 6, 2017 to March 6, 2020
(5) Dean Journeaux was a Director of the Company from August 27, 2019 to December 13, 2019.
(6) Arnab Kumar De was Chief Financial Officer of the Company from May 8, 2019 to December 8, 2019.
(7) Payment to Arnab Kumar De was made to Resurgent Montreal Inc., a company wholly owned by Arnab Kumar De.
(8) William Thomas was Chief Financial Officer, Secretary and a Director from August 22, 2018. March 8, 2019.
(9) Nelson Skalbania was Director of the Company from May 21, 2015 until May 1, 2019. He served as Interim Chief Executive Officer of the Company from February 10, 2017 to August 22, 2018 and as Interim Chief Financial Officer of the Company from April 24, 2017 to August 22, 2017. He also served as Interim Chief Financial Officer of the Company from March 8, 2019 to May 1, 2019.
(10) James Blencoe was a Director of the Company from May 21, 2015 to November 30, 2017.
(11) Charn Deol was a Director of the Company from April 14, 2014 to November 30, 2017.

External Management Companies

GLH Strategic Consulting Ltd. (the "**GLH**") is a private company controlled by Gillian Holcroft (the "**Consultant**"), Former President, Former CEO and Former Director of the Company. Pursuant to an agreement dated for reference February 9, 2017, the Company entered into a personal services agreement (the "**Services Agreement**") with GLH of 4195 avenue Marcil, Quebec, Canada, H4A 2Z7, and provides management and administrative services to the Company in accordance with the terms of the Services Agreement for a monthly fee of $16,000 per month payable as $12,000 in cash plus applicable taxes and $4,000 per month accrued at no interest and services from surplus operating cash flow or alternatively converted at any time into shares of the Company. The Services Agreement is for an initial term of sixty (60) months.

The Services Agreement can be terminated:

- by GLH without case upon ninety (90) days written notice to the Company or immediately with cause. In this section, cause shall mean a material breach by the Company of the Services Agreement provided the Company is afforded fifteen (15) days after notice by the Consultant to the Company to remedy the breach, the Company or any of its directors or officers (other than the CEO) engaging in willing unlawful conduct that is likely to expose the Company to material liability or conduct that is likely to result in the Company's bankruptcy, insolvency or cessation of business.
- the Company without case upon ninety (90) days written notice to the Company or immediately with cause. In this section, cause shall means (i) intentional fraud or misappropriation with respect to the business or assets of the Company, (ii) persistent refusal or willful failure of the Consultant to substantially perform their material duties and responsibilities to the Company, which continues after the Consultant receives such notice of such refusal or failure provided that the Consultant is afforded fifteen (15) days after notice by the Company to the Consultant to remedy the performance and (iii) conviction of a felony or a crime involving moral turpitude.

The Services Agreement provides that in the event the Services Agreement is terminated:

- by the Company with cause or if the Consultant terminates the Agreement without cause, the Company shall immediately pay the Consultant all unpaid compensation and bonuses earned through the effective date of such termination;
- by the Company without cause the Company shall pay the Consultant immediately all unpaid compensation and bonuses earned through the effective date plus $100,000 within 30 business days of termination; in addition, notwithstanding any other agreements with the Company all incentive stock options shall vest immediately;
- by the Consultant with cause, the Company shall pay immediately all unpaid compensation and bonuses earned through the effective date plus $100,000; in addition, notwithstanding any other agreements with the Company all incentive stock options shall vest immediately; and

- if the Company decreases the Consultant's monthly retainer by 10%, materially decreases the Consultant's responsibilities or title as outlined or requires the Consultant to permanently relocate to a location outside of Montreal, Quebec, the Consultant may immediately terminate the Services Agreement and the Company shall pay immediately all unpaid compensation and bonuses earned through the effective date plus $100,000; in addition, notwithstanding any other agreements with the Company all incentive stock options shall vest immediately.

There are no provisions in the Services Agreement with respect to a take-over bid or change of control of the Company resulting in payments to the Consultant.

During the most recently completed financial year, the Company paid or accrued $192,000 in management and administrative services to GLH Strategic Consulting Inc.

The Services Agreement has since been terminated on March 10, 2020.

Stock Options and Other Compensation Securities

The Company granted the following compensation securities to the directors and NEOs during the most recently completed financial year.

Compensation Securities							
Name and position	**Type of compensation security**	**Number of compensation securities, number of underlying securities, and percentage of class**	**Date of issue or grant**	**Issue, conversion or exercise price ($)**	**Closing price of security or underlying security on date of grant ($)**	**Closing price of security or underlying security at year end ($)**	**Expiry date**
Gillian Holcroft, *Former President, Former Chief Executive Officer, Former Chief Financial Officer and Former Director*	Incentive Stock Options	1,000,000 Incentive Stock Options 1,000,000 Common Shares 1.8%	July 20, 2019	$0.10	$0.165	$0.065	July 20, 2021
Frank Vlastelic, Director	Incentive Stock Options	2,000,000 Incentive Stock Options 2,000,000 Common Shares 3.6%	July 20, 2019	$0.10	$0.165	$0.065	July 20, 2021

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the Company's most recently completed financial year.

Stock Option Plans and Other Incentive Plans

The Company's Stock Option Plan (the "**Stock Option Plan**") was adopted on September 22, 2017 and subsequently approved by shareholders on November 30, 2017. The Stock Option Plan permits the Board from time to time, in its discretion and in accordance with applicable securities laws and policies of the Canadian Securities Exchange, to

grant to directors, officers, employees and consultants options to purchase common shares of the Company ("**Option Shares**"), provided that the number of Option Shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company.

The Plan was established to attract and retain directors, officers, employees, and consultants and to motivate them to advance the interests of the Company by affording them with the opportunity to acquire an equity interest in the Company through options granted under the Plan to purchase Option Shares. The options are exercisable for a period determined by the Board, so long as the optionee maintains the optionee's position with the Company.

The following information is intended to be a brief description of the Plan:

the aggregate number of shares that may be issued pursuant to options granted under the Plan, unless otherwise approved by Shareholders, may not exceed that number which is equal to 10% of the issued and outstanding shares of the Company at the time of the grant;

subject to a minimum exercise price of $0.10 per Option Share, the minimum exercise price of an option granted under the Plan must not be less than the closing market price of the common shares of the Company on the trading day immediately preceding the date of grant, less any applicable discount allowed by the Canadian Securities Exchange.

the term of any stock option will not exceed five years;

if a director, officer, employee, or consultant ceases to be so engaged by the Company for any reason other than death, such director, officer, employee, or consultant shall have the right to exercise any vested option granted to him under the Plan and not exercised prior to such termination within a period of 90 days after the date of termination, or such shorter period as may be set out in in the optionee's written agreement;

if an optionee dies prior to the expiry of an option, his heirs or administrators may within 12 months from the date of the optionee's death exercise that portion of an option granted to the optionee under the Plan which remains vested and outstanding;

the Board will determine the vesting schedule for each stock option in accordance with the rules and policies of the regulatory authorities; and

all options are non-assignable and non-transferable.

Other Provisions

The Stock Option Plan contains provisions governing the acceleration of the vesting of options in the event of a change of control of the Company or in the event of a take-over proposal.

As at the Company's most recently completed financial year, there were an aggregate of **4,200,000** Stock Options outstanding and as at the date of this Circular, there were an aggregate of **4,200,000** stock options issued and outstanding.

Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as at the Company's most recently completed financial year:

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Plan Category	**(a)**	**(b)**	**(c)**
Equity compensation plans to be approved by securityholders - (the Stock Option Plan)	4,200,000	N/A	1,304,90
Equity compensation plans not approved by securityholders	N/A	N/A	Nil
Total	4,200,000	N/A	1,304,90

Employment, consulting and management agreements

Except as disclosed above under "External Management Companies", the Company does not have any employment, consulting or management agreements or arrangements with any of the Company's current NEOs or directors.

Termination and Change of Control Benefits

As at the date of this Information Circular, the Company is not a party to any contract, agreement, plan or arrangement with its Named Executive Officers that provide for payments to Named Executive Officers at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of change in control of the Company or a change in a Named Executive Officer's responsibilities.

Oversight and description of director and named executive officer compensation

Compensation of Directors

The compensation of directors and the CEO is determined by the Board as a whole. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

The Company had no arrangements, standard or otherwise pursuant to which directors were compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the Company's most recently completed financial year or subsequently, up to and including the date of this Information Circular with the exception of stock-based compensation as detailed in this Information Circular. The quantity and quality of Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent director(s) with significant input into compensation decisions. Given the current size and limited scope of operations of the Company, the Board does not believe that a formal compensation committee is required. At such time and in the opinion of the Board, should the size and activities of the Company and the number of management employees warrant the formation of a formal compensation committee, one shall be appointed at such time.

Compensation of NEOs

Compensation of NEOs is reviewed annually and determined by the Board as a whole. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity

of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

Elements of NEO Compensation

As discussed above, the Company provides a Stock Option Plan to motivate NEOs by providing them with the opportunity, through stock options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of stock options to NEOs. Other than the Stock Option Plan, the Company does not offer any long-term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs

Pension disclosure

The Company does not have any pension, defined benefit, defined contribution or deferred compensation plans currently in place or proposed at this time.

SECTION 6 - AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* ("**NI 52-110**") requires the Company, as a venture issuer to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

AUDIT COMMITTEE CHARTER

The text of the Company's Audit Committee Charter is attached hereto as Schedule "C" to this Information Circular.

COMPOSITION OF AUDIT COMMITTEE

NI 52-110 provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board, reasonably interfere with the exercise of the member's independent judgment.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The current members of the Audit Committee are Frank Vlastelic (Chair), Tony Louie and Drew Brass.

Mr. Tony Louie is an executive officer being the Chief Executive Officer and Interim Chief Financial Officer of the Company and is not considered independent. Mr. Frank Vlastelic and Mr. Drew Brass are not executive officers of the Company and; therefore, are considered to independent members of the Audit Committee.

All members of the audit committee are considered to be financially literate. All of the Audit Committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

RELEVANT EDUCATION AND EXPERIENCE

All of the Audit Committee members are senior-level businesspeople with experience in financial matters; each has an understanding of accounting principles used by the Company to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavour.

Each member also has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company's financial disclosures and internal control systems.

In addition, each of the members of the Audit Committee have knowledge of the role of an audit committee in the realm of reporting companies from their years of experience as directors or officers of public companies other than the Company. See Section 7 - Corporate Governance – Directorships in Other Public Companies.

Frank Vlastelic (Chair)

Mr. Vlastelic is a self-employed business consultant. Mr. Vlastelic has extensive business experience which enables him to read, analyze and understand a set of financial statements that present a level of complexity of accounting issues that are generally comparable to the complexity of the financial issues that can reasonably be expected to be raised by the Company's financial reporting obligations.

Tony Louie

Mr. Louie is a self-employed business consultant. Mr. Louie earned a Bachelor of Arts degree in Economics and a Master's degree in business administration from Simon Fraser University. He has been the CFO of several public companies and has extensive which enables him to read, analyze and understand a set of financial statements that present a level of complexity of accounting issues that are generally comparable to the complexity of the financial issues that can reasonably be expected to be raised by the Company's financial reporting obligations.

Drew Brass

Mr. Brass is a self-employed business consultant. He has extensive business experience which enables him to read, analyze and understand a set of financial statements that present a level of complexity of accounting issues that are generally comparable to the complexity of the financial issues that can reasonably be expected to be raised by the Company's financial reporting obligations.

AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors.

RELIANCE ON CERTAIN EXEMPTIONS

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 - *Audit Committees (De Minimis Non-audit Services)*, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

As the Company is considered a "Venture Issuer" pursuant to relevant securities legislation, the Company is relying on the exemption in Section 6.1 of NI 52-110, from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110.

PRE-APPROVAL POLICIES AND PROCEDURES FOR NON-AUDIT SERVICES

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Company's Audit Committee Charter attached as Schedule "C" to this Information Circular.

EXTERNAL AUDITOR SERVICE FEES

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

The fees paid by the Company to its auditors in each of the last two financial years, by category, are as follows:

Nature of Services	Fees Paid to Auditor in Year Ended September 30, 2019	Fees Paid to Auditor in Year Ended September 30, 2018
Audit Fees[(1)]	$22,268	$20.400
Audit-Related Fees[(2)]	Nil	Nil
Tax Fees[(3)]	$3,000	$3,000
All Other Fees[(4)]	Nil	($3,200)
Total	$25,268	$27,700

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the consolidated financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.

(2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All Other Fees" include all other non-audit services.

SECTION 7 - CORPORATE GOVERNANCE

GENERAL

National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") provides guidelines on corporate governance disclosure for venture issuers as set out in Form 58-101F2 and requires full and complete annual disclosure of a listed company's systems of corporate governance with reference to National Policy 58-201 – *Corporate Governance Guidelines* (the "**Guidelines**"). Where a company's corporate governance system differs from the Guidelines, each difference and the reason for the difference is required to be disclosed. The Company's approach to corporate governance is provided below.

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. The Board is committed to sound corporate governance practices that are both in the interest of its Shareholders and contribute to effective and efficient decision making. The Guidelines establishes corporate governance guidelines that apply to all public companies. The Company has reviewed its own corporate governance practices in light of these Guidelines. In certain cases, the Company's practices comply with the Guidelines; however, the Board considers that some of the Guidelines are not suitable for the Company at its current stage of development and therefore these Guidelines have not been adopted. NI 58-101 mandates disclosure of corporate governance practices for Venture Issuers in Form 58-101F2, which disclosure is set out below.

COMPOSITION OF THE BOARD OF DIRECTORS

All of the proposed nominees for election as a director at the 2019 Annual General Meeting are current directors of the Company. Form 58-101F1 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the Company. "Material

relationship" is defined as a relationship that could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the proposed nominees, Tony Louie, who also serves the Company as President, Chief Executive Officer and Interim Chief Financial Officer, is an "inside" or management director and, as such, is considered not to be "independent". Frank Vlastelic and Drew Brass are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. It is the objective of the Company to continue to have a majority of independent Board members and enhance the quality of the Company's corporate governance.

The Company does not currently have a Chair of the Board and, given the current size of the Board, does not consider that a Chair is necessary. The independent directors exercise their responsibilities for independent oversight of management, and are provided with leadership through their positions on the Board. The Board will give consideration to appointing an "independent" member as Chair at such time as it believes that such a position is required.

Management was delegated the responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board facilitates its independent supervision over management through frequent discussions of the Board and by reviewing and approving long-term strategic, business and capital plans, material contracts and business transactions, and all debt and equity financing transactions. Through its audit committee, the Board examines the effectiveness of the Company's internal control processes and management information systems. The Board as a whole reviews executive compensation and recommends stock option grants accordingly.

MANDATE OF THE BOARD

The Board is elected by and accountable to the shareholders of the Company. The mandate of the Board is to continually govern the Company and to protect and enhance the assets of the Company in the long-term best interests of the Shareholders. The Board will annually assess and approve a strategic plan which takes into account, among other things, the opportunities and the identification of the principal risks of the issuer's business, and ensuring the implementation of appropriate systems to manage these risks.

DIRECTORSHIPS IN OTHER PUBLIC COMPANIES

Certain of the board nominees are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)[(1)]
Frank Vlastelic	N/A
Tony Louie	Regal Resources Inc. JDF Exploration Inc.
Drew Brass	N/A

Notes:

(1) Information has been furnished by the respective person or has been obtained from insider reports filed by respective person and available through the Internet at the Canadian System for Electronic Disclosure by Insiders (www.sedi.ca).

ORIENTATION AND CONTINUING EDUCATION

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's

size and current level of operations. However, if the growth of the Company's operations warrants it, it is likely that a formal orientation process will be implemented.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "Election of Directors" for a description of the current principal occupations of the members of the Company's Board.

ETHICAL BUSINESS CONDUCT

The Board has determined that the fiduciary duties placed on individual directors by the Company's governing corporate legislation, common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest are sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Furthermore, the Board promotes fair dealing with all its stakeholders and requires compliance with the laws of each jurisdiction in which the Company operates.

The Board of Directors is also required to comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia) and relevant securities regulation in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director is required to declare the nature and extent of his interest and is not entitled to vote on any matter that is the subject of the conflict of interest.

NOMINATION OF DIRECTORS

The Board as a whole determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the individual Board members, including both formal and informal discussions among Board members and the President and CEO. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed and discussed amongst the members of the Board prior to the proposed director's nomination.

The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an *ad hoc* basis.

COMPENSATION OF DIRECTORS AND CHIEF EXECUTIVE OFFICER

The Company does not currently pay its directors any remuneration for acting as directors and the only compensation for acting as directors received by non-management directors is through the grant of incentive stock options. The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements adequately reflect the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted to any director or officer is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions. Stock options to be granted to "management" directors are required, as a matter of board practice, to be reviewed and approved by the "non-management" directors. Given the current size and limited scope of operations of the Company, the Board does not believe that a formal compensation committee is required. At such time as, in the opinion of the Board, the size and activities of the Company and the number of management employees warrants it, the Board will consider it necessary to appoint a formal compensation committee. See Section 5 – Statement of Executive Compensation – Director and NEO Compensation.

COMMITTEES OF THE BOARD OF DIRECTORS

The Company has no other committees other than the Audit Committee.

ASSESSMENTS

The board has not, as yet, established procedures to formally review the contributions of individual directors. At this point, the directors believe that the board's current size facilitates informal discussion and evaluation of members' contributions within that framework.

SECTION 8 - OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the most recently completed financial year and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company for other than "routine indebtedness", as that term is defined by applicable securities legislation; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Applicable securities legislation defines "*informed person*" to mean any of the following: (a) a director or executive officer of a reporting issuer; (b) a director or officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; (c) any person or company who beneficially owns, directly or indirectly, voting securities of a reporting issuer or who exercises control or direction over voting securities of a reporting issuer or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the reporting issuer other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) a reporting issuer that has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities Except as otherwise disclosed herein, no informed persons had (or has) any interest in any transaction with the Company since the commencement of the Company's most recently completed financial year, or in any proposed transaction, that has materially affected the Company or is likely to do so.

As a subscriber to the Private Placement which closed on May 23, 2019, Gillian Holcroft, a Former Director of the Company, acquired directly 1,080,000 Units of the Company at a price of $0.10 per Unit. Each Unit consisted of one (1) common share and one (1) share purchase warrant. Each share purchase warrant entitles the holder thereof to purchase one (1) additional common share of the Company on or before May 22, 2020 at an exercise price of $0.25 per share.

As a subscriber to the Private Placement which closed on August 6, 2019, Gillian Holcroft, a Former Director of the Company, acquired directly 360,000 Units of the Company at a price of $0.10 per Unit. Each Unit consisted of one (1) common share and one (1) share purchase warrant. Each share purchase warrant entitles the holder thereof to purchase one (1) additional common share of the Company on or before August 6, 2020 at an exercise price of $0.25 per share.

As a subscriber to the Private Placement which closed on May 23, 2019, Frank Vlastelic, a Director of the Company , acquired directly 1,080,000 Units of the Company at a price of $0.10 per Unit. Each Unit consisted of one (1) common share and one (1) share purchase warrant. Each share purchase warrant entitles the holder thereof to purchase one (1) additional common share of the Company on or before May 22, 2020 at an exercise price of $0.25 per share.

MANAGEMENT CONTRACTS

Except as disclosed under Section 5 – Executive Compensation, the Company has no management agreements or arrangements under which the management functions of the Company are performed other than by the Company's directors and executive officers.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

As at the date of this Information Circular, to the knowledge of the Company, no proposed nominee for election as a director of the Company (nor any of his or her personal holding companies) has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

Except as disclosed below, no proposed nominee for election as a director of the Company is, or has been, within 10 years before the date of this Information Circular:

1. a director, chief executive officer or chief financial officer of any company (including the Company and any personal holding company of the proposed director) that, while that person was acting in that capacity:

   (a) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "**Order**"); or

   (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

2. a director or executive officer of any company (including the Company) and any personal holding company of the proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

On May 14, 2018, the British Columbia Securities Commission (the "**BCSC**"), as principal regulator, issued a cease trade order against the Company for failure to comply with the requirements of Part 3 of National Instrument 52-107 – *Acceptable Principles and Auditing Standards*, with respect to the Company's financial statements for each of its financial year ended September 30, 2017 and its interim period ended December 31, 2017. On September 17, 2018, the Company re-filed its financial statements for its financial year ended September 30, 2017 and for its interim period ended December 31, 2017 and applied to the BCSC for a revocation order. On October 18, 2018, the BCSC

issued a revocation order to the cease trade order. The Company was reinstated for trading on the CSE on October 24, 2018.

On June 5, 2018, the BCSC issued a failure to file cease trade order (the "**FTFCTO**") against the Company for failing to file financial statements, management's discussion and analysis and certificates of Chief Executive Officer and Chief Financial Officer for the interim period ended March 31, 2018. On August 17, 2018, the Company filed its interim statements and on August 30, 2018, the BCSC issued a revocation order to the FTFCTO.

On February 1, 2019, the BCSC issued a further failure to file cease trade order (the "2019 **FTFCTO**") against the Company for failing to file its financial statements, management's discussion and analysis and certificates of Chief Executive Officer and Chief Financial Officer for its financial year ended September 30, 2018. On March 1, 2019, the Company filed its annual statements and on March 5, 2019, the BCSC issued a revocation order to the 2019 FTFCTO.

On May 18, 2012, the British Columbia Securities Commission (the "**BCSC**"), as principal regulator, issued a cease trade order against Regal Resources Inc. (the "**Regal**") for failure to comply with the requirements of Parts 4 and 5 of National Instrument 43-101 – *Standards for Disclosure for Mineral Properties*, with respect to Regal's disclosure on its Squaw Peak property and its Patagonia property both located in Arizona, USA; Regal filed its required technical reports with the exception of the required report for its Squaw Peak property as Regal issued news releases May 30, 2012 and July 3, 2012 disclosing its decision to terminate its option on the Squaw Peak property. On July 10, 2012, the BCSC issued a revocation order to the cease trade order.

On July 11, 2012, the BCSC issued a cease trade order (the "**CTO**") against Regal Resources Inc. (the "**Regal**") for failing to file financial statements, management's discussion and analysis and certificates of Chief Executive Officer and Chief Financial Officer for the interim period ended April 30, 2012. On July 19, 2012, Regal filed its interim statements and the BCSC issued a revocation order to the FTFCTO.

On December 15, 2015, the BCSC issued a failure to file cease trade order (the "**FTFCTO**") against Regal Resources Inc. (the "**Regal**") for failing to file financial statements, management's discussion and analysis and certificates of Chief Executive Officer and Chief Financial Officer for the year ended July 31, 2015. As at March 11, 2020, the FTFCTO still remains in place.

Tony Louie was a director of Regal Resources Inc. at the time the CTO and FTFCTO were issued.

No proposed nominee for election as a director of the Company has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

ADDITIONAL INFORMATION

Financial information about the Company is included in the Company's financial statements and Management's Discussion and Analysis for the financial year, which have been electronically filed with regulators and are available through the Internet on SEDAR at www.sedar.com. Copies may be obtained without charge upon request to the Company at Suite 600 – 777 Hornby Street, Vancouver, British Columbia V6Z 1S4. You may also access the Company's public disclosure documents through the Internet on SEDAR at www.sedar.com.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to the shareholders have been approved by the Directors of the Company.

DATED at Vancouver, British Columbia, Canada, on this **11th** day of **March, 2019**.

BY ORDER OF THE BOARD OF DIRECTORS:

Signed: "Tony Louie"
TONY LOUIE
Chief Executive Officer, President and Director

SCHEDULE "A"

MAG ONE PRODUCTS INC.
(the "Company")

PROPOSED NEW ARTICLES

ARTICLES

1. INTERPRETATION

1.1. DEFINITIONS

In these Articles, unless the context otherwise requires:

1. "board of directors", "directors" and "board" mean the directors or sole director of the Company for the time being;

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

3. "legal personal representative" means the personal or other legal representative of a shareholder;

4. "registered address" of a shareholder means the shareholder's address as recorded in the central securities register; and

5. "seal" means the seal of the Company, if any.

1.2. *BUSINESS CORPORATIONS ACT* AND *INTERPRETATION ACT* DEFINITIONS APPLICABLE

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

2. SHARES AND SHARE CERTIFICATES

2.1. AUTHORIZED SHARE STRUCTURE

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

2.2. FORM OF SHARE CERTIFICATE

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

2.3. SHAREHOLDER ENTITLED TO CERTIFICATE OR ACKNOWLEDGMENT

Unless the shares of which the shareholder is the registered owner are uncertificated shares, 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 acknowledgement and delivery of a share certificate or acknowledgement for a share to one of several joint shareholders or to one of the shareholders' duly authorized agents will be sufficient delivery to all.

2.4. DELIVERY BY MAIL

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

2.5. REPLACEMENT OF WORN OUT OR DEFACED CERTIFICATE OR ACKNOWLEDGEMENT

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

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

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

2.6. REPLACEMENT OF LOST, STOLEN OR DESTROYED CERTIFICATE OR ACKNOWLEDGMENT

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

1. proof satisfactory to them that the share certificate or acknowledgment is lost, stolen or destroyed; and

2. any indemnity the directors consider adequate.

2.7. SPLITTING SHARE CERTIFICATES

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

2.8. CERTIFICATE FEE

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

2.9. RECOGNITION OF TRUSTS

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

2.10. CERTIFICATES MAY BE UNCERTIFICATED

Notwithstanding any other provisions of this Part, the directors may, by resolution, provide that:

a. The shares of any or all of the classes and series of the Company's shares may be uncertificated shares; or

b. Any specified shares may be uncertificated shares.

3. ISSUE OF SHARES

3.1. DIRECTORS AUTHORIZED

Subject to the *Business Corporations Act* and the rights 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 directors in their discretion have determined that the value of the consideration received by the Company equals or exceeds the issue price set for the share under Article 3.1.

3.5. SHARE PURCHASE WARRANTS AND RIGHTS

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

4. SHARE REGISTERS

4.1. CENTRAL SECURITIES REGISTER

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

4.2. CLOSING REGISTER

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

5. SHARE TRANSFERS

5.1. REGISTERING TRANSFERS

A transfer of a share of the Company must not be registered unless:

1. a duly signed instrument of transfer in respect of the share has been received by the Company;

2. if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and

3. if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered

to the Company.

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

5.2. FORM OF INSTRUMENT OF TRANSFER

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

5.3. TRANSFEROR REMAINS SHAREHOLDER

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

5.4. SIGNING OF INSTRUMENT OF TRANSFER

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified, all the shares represented by the share certificates or set out in the written acknowledgments deposited with the instrument of transfer:

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

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

5.5. ENQUIRY AS TO TITLE NOT REQUIRED

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6. TRANSFER FEE

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

6. TRANSMISSION OF SHARES

6.1. LEGAL PERSONAL REPRESENTATIVE RECOGNIZED ON DEATH

In case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, 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, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2. RIGHTS OF LEGAL PERSONAL REPRESENTATIVE

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

7. PURCHASE OF SHARES

7.1. COMPANY AUTHORIZED TO PURCHASE SHARES

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

7.2. PURCHASE WHEN INSOLVENT

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

1. the Company is insolvent; or

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

7.3. SALE AND VOTING OF PURCHASED SHARES

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

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

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

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

8. BORROWING POWERS

8.1. POWER TO BORROW AND ISSUE DEBT OBLIGATIONS

The Company, if authorized by the directors, may:

1. borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that they consider appropriate;

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

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

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

8.2. FEATURES OF DEBT OBLIGATIONS

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

9. ALTERATIONS

9.1. ALTERATION OF AUTHORIZED SHARE STRUCTURE

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

1. by directors' resolution or by ordinary resolution, in each case determined by the directors:

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

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

c. subdivide or consolidate all or any of its unissued, or fully paid issued, shares;

d. if the Company is authorized to issue shares of a class of shares with par value:

I. decrease the par value of those shares; or

II. if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;

e. change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;

f. alter the identifying name of any of its shares; or

g. otherwise alter its shares or authorized share structure

9.2. SPECIAL RIGHTS OR RESTRICTIONS

Subject to the *Business Corporations Act*, the Company may:

1. by directors' resolution or by ordinary resolution, in each case as determined by the directors, create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, if none of those shares have been issued; or vary or delete any special rights or restrictions attached to the shares of any class or series of shares, if none of those shares have been issued

2. by special resolution of the shareholders of the class or series affected, do any of the acts in (1) above, if any of the shares of the class or series of shares have been issued.

9.3. CHANGE OF NAME

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

9.4. OTHER ALTERATIONS

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

1. by directors' resolution or by ordinary resolution, in each case as determined by the directors, authorize alterations to the Articles that are procedural or administrative in nature or are matters that pursuant to these Articles are solely within the directors' powers, control or authority; and

2. if the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

10. MEETINGS OF SHAREHOLDERS

10.1. ANNUAL GENERAL MEETINGS

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

10.2. RESOLUTION INSTEAD OF ANNUAL GENERAL MEETING

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* 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 0, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3. CALLING OF MEETINGS OF SHAREHOLDERS

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

10.4. PLACE OF MEETINGS OF SHAREHOLDERS

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

10.5. MEETINGS BY TELEPHONE OR OTHER ELECTRONIC MEANS

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

10.6. NOTICE FOR MEETINGS OF SHAREHOLDERS

Subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

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

2. otherwise, 10 days.

10.7. RECORD DATE FOR NOTICE

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

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

2. otherwise, 10 days.

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

10.8. RECORD DATE FOR VOTING

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

10.9. FAILURE TO GIVE NOTICE AND WAIVER OF NOTICE

The accidental omission to send notice of any meeting 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 or reduce the period of notice of such meeting.

10.10. NOTICE OF SPECIAL BUSINESS AT MEETINGS OF SHAREHOLDERS

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

1. state the general nature of the special business; and

2. if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document:

a. will be available for inspection by shareholders at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice during statutory business hours on any one or more specified days before the day set for the holding of the meeting; and

b. may be available by request from the Company or may be accessible electronically or on a website, as determined by the directors.

11. PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1. SPECIAL BUSINESS

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

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

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

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

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

c. consideration of any reports of the directors or auditor;

d. the setting or changing of the number of directors;

e. the election or appointment of directors;

f. the appointment of an auditor;

g. the setting of the remuneration of an auditor;

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

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

11.2. SPECIAL MAJORITY

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

11.3. QUORUM

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one or more persons present and being, or representing by proxy, two or more shareholders entitled to attend and vote at the meeting.

11.4. ONE SHAREHOLDER MAY CONSTITUTE QUORUM

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

1. The quorum is one person who is, or who represents by proxy, that shareholder; and

2. That shareholder, present in person or by proxy, may constitute the meeting.

11.5. OTHER PERSONS MAY ATTEND

The directors, the president (if any), the corporate secretary (if any), the assistant corporate secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.6. REQUIREMENT OF QUORUM

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

11.7. LACK OF QUORUM

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

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

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

11.8. LACK OF QUORUM AT SUCCEEDING MEETING

If, at the meeting to which the meeting referred to in Article 11.7.2 was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.9. CHAIR

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

1. the chair of the board, if any; or

2. if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any, the corporate secretary, if any, or any director of the Company.

11.10. SELECTION OF ALTERNATE CHAIR

If, at any meeting of shareholders, there is no chair of the board, chief executive officer, president, or vice-president or director present within 15 minutes after the time set for holding the meeting, or if the chair of the board, the chief executive officer, president and all vice-presidents and all directors are unwilling to act as chair of the meeting, or if the chair of the board, the chief executive officer, the president, and all vice-presidents and directors have advised the corporate secretary, if any, or the solicitor for the Company, that they will not be present at the meeting, 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 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 at least one shareholder entitled to vote who is present in person or by proxy.

11.14. DECLARATION OF RESULT

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

11.15. MOTION NEED NOT BE SECONDED

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

11.16. CASTING VOTE

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

11.17. MANNER OF TAKING POLL

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

1. the poll must be taken:

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

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

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

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

11.18. DEMAND FOR POLL ON ADJOURNMENT

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

11.19. CHAIR MUST RESOLVE DISPUTE

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

11.20. CASTING OF VOTES

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

11.21. DEMAND FOR POLL

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

11.22. Demand for Poll Not to Prevent Continuance of Meeting

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

11.23. Retention of Ballots and Proxies

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

12. Votes of Shareholders

12.1. Number of Votes by Shareholder or by Shares

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

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

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

12.2. Votes of Persons in Representative Capacity

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

12.3. Votes by Joint Holders

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

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

2. if more than one of the joint shareholders is present at any meeting, 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.

12.5. Representative of a Corporate Shareholder

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

1. for that purpose, the instrument appointing a representative must:

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

b. be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting;

2. if a representative is appointed under this Article 12.5:

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

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

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

12.6. PROXY PROVISIONS DO NOT APPLY TO ALL COMPANIES

Articles 12.7 to 12.15 do not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

12.7. APPOINTMENT OF PROXY HOLDERS

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

12.8. ALTERNATE PROXY HOLDERS

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

12.9. PROXY HOLDER NEED NOT BE SHAREHOLDER

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

12.10. DEPOSIT OF PROXY

A proxy for a meeting of shareholders must:

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

2. unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

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

12.11. VALIDITY OF PROXY VOTE

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

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

2. by the chair of the meeting, before the vote is taken.

12.12. FORM OF PROXY

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

[Name of Company]
(the "Company")

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

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

_____

_____
Signed *[month, day, year]*

_____
[Signature of Shareholder]

_____
[Name of Shareholder – printed]

12.13. REVOCATION OF PROXY

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

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

2. provided, at the meeting, to the chair of the meeting.

12.14. REVOCATION OF PROXY MUST BE SIGNED

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

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

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

12.15. PRODUCTION OF EVIDENCE OF AUTHORITY TO VOTE

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

13. DIRECTORS

13.1. FIRST DIRECTORS; NUMBER OF DIRECTORS

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

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

directors.

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

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

b. the number of directors set under Article 14.4;

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

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

b. the number of directors set under Article 14.4.

13.2. CHANGE IN NUMBER OF DIRECTORS

If the number of directors is set under Articles 13.1.2.a or 13.1.3.a:

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

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

13.3. DIRECTORS' ACTS VALID DESPITE VACANCY

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

13.4. QUALIFICATIONS OF DIRECTORS

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

13.5. REMUNERATION OF DIRECTORS

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

13.6. REIMBURSEMENT OF EXPENSES OF DIRECTORS

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

13.7. SPECIAL REMUNERATION FOR DIRECTORS

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

13.8. GRATUITY, PENSION OR ALLOWANCE ON RETIREMENT OF DIRECTOR

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

provision of any such gratuity, pension or allowance.

14. ELECTION AND REMOVAL OF DIRECTORS

14.1. ELECTION AT ANNUAL GENERAL MEETING

At every annual general meeting and in every unanimous resolution contemplated by Article 0:

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;

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 0, 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 0, to elect or appoint any directors;

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

3. the date on which his or her successor is elected or appointed; and

4. the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4. PLACES OF RETIRING DIRECTORS NOT FILLED

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

14.5. DIRECTORS MAY FILL CASUAL VACANCIES

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

14.6. REMAINING DIRECTORS POWER TO ACT

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the

purpose of appointing directors up to that number or of summoning 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 0, 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 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.

14.12. ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

(1) Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(a) by or at the direction of the board of directors, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with Division 7 of Part 5 of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with section 167 of the *Business Corporations Act*; or

(c) by any shareholder of the Company (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this

Article 14.12 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 14.12.

(2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Company at the head office of the Company.

(3) To be timely, a Nominating Shareholder's notice must be received by the Corporate Secretary of the Company:

(a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be received not later than the close of business on the 10th day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such notice.

(4) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:

(a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the present principal occupation, business or employment of the person within the preceding five years, as well as the name and principal business of any company in which such employment is carried on; (C) the citizenship of such person; (D) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (E) confirmation that the person meets the qualifications of directors set out in the *Business Corporations Act*; and (F) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

The Nominating Shareholder's notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the

eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(5) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(6) For purposes of this Policy:

(a) "**Applicable Securities Laws**" means the applicable securities legislation of each province and territory of Canada in which the Company is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and

(b) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(7) Notwithstanding any other provision of this Article 14.12, notice given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the head office of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

(8) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 14.12.

15. ALTERNATE DIRECTORS

15.1. APPOINTMENT OF ALTERNATE DIRECTOR

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

15.2. NOTICE OF MEETINGS

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

15.3. Alternate for More Than One Director Attending Meetings

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

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

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

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

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

15.4. Consent Resolutions

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

15.5. Alternate Director Not an Agent

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

15.6. Revocation of Appointment of Alternate Director

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

15.7. Ceasing to be an Alternate Director

The appointment of an alternate director ceases when:

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

2. the alternate director dies;

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

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

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

15.8. Remuneration and Expenses of Alternate Director

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

16. Powers and Duties of Directors

16.1. Powers of Management

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

16.2. APPOINTMENT OF ATTORNEY OF COMPANY

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

17. DISCLOSURE OF INTEREST OF DIRECTORS

17.1. OBLIGATION TO ACCOUNT FOR PROFITS

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

17.2. RESTRICTIONS ON VOTING BY REASON OF INTEREST

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

17.3. INTERESTED DIRECTOR COUNTED IN QUORUM

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

17.4. DISCLOSURE OF CONFLICT OF INTEREST OR PROPERTY

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

17.5. DIRECTOR HOLDING OTHER OFFICE IN THE COMPANY

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

17.6. NO DISQUALIFICATION

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

17.7. PROFESSIONAL SERVICES BY DIRECTOR OR OFFICER

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or

such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

17.8. Director or Officer in Other Corporations

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

18. Proceedings of Directors

18.1. Meetings of Directors

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

18.2. Voting at Meetings

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

18.3. Chair of Meetings

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

1. the chair of the board, if any;

2. if there is no chair of the board or in the absence of the chair of the board, the chief executive officer, if any, if the chief executive officer is a director;

3. if there is no chief executive officer or in the absence of the chief executive officer, the president, if any, if the president is a director; or

4. any other director chosen by the directors (as such manner as they may determine) if:

a. neither the chair of the board, if any, the chief executive officer, if any and if a director, the president if any and 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, if any, the chief executive officer, if any and if a director, the president, if any and if a director, is willing to chair the meeting; or

c. the chair of the board, if any, the chief executive officer, if any and if a director, the president, if any and if a director, have advised the corporate secretary, if any, and any other director, or the solicitor for the Company, that they will not be present at the meeting.

18.4. Meetings by Telephone or Other Communications Medium

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

18.5. CALLING OF MEETINGS

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

18.6. NOTICE OF MEETINGS

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

18.7. WHEN NOTICE NOT REQUIRED

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

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

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

18.8. MEETING VALID DESPITE FAILURE TO GIVE NOTICE

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

18.9. WAIVER OF NOTICE OF MEETINGS

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

18.10. QUORUM

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

18.11. VALIDITY OF ACTS WHERE APPOINTMENT DEFECTIVE

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

18.12. CONSENT RESOLUTIONS IN WRITING

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in as many counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 18.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

19. EXECUTIVE AND OTHER COMMITTEES

19.1. APPOINTMENT AND POWERS OF EXECUTIVE COMMITTEE

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

1. the power to fill vacancies in the board of directors;

2. the power to remove a director;

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

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

19.2. APPOINTMENT AND POWERS OF OTHER COMMITTEES

The directors may, by resolution:

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

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

a. the power to fill vacancies in the board of directors;

b. the power to remove a director;

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

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

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

19.3. OBLIGATIONS OF COMMITTEES

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

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

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

19.4. POWERS OF BOARD

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

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

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

3. fill vacancies in the committee.

19.5. COMMITTEE MEETINGS

Subject to Article 19.3.1 and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 19.1 or 19.2:

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

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

3. a majority of the members of the committee constitutes a quorum of the committee; and

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

20. OFFICERS

20.1. DIRECTORS MAY APPOINT OFFICERS

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

20.2. FUNCTIONS, DUTIES AND POWERS OF OFFICERS

The directors may, for each officer:

1. determine the functions and duties of the officer;

2. entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and

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

20.3. QUALIFICATIONS

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

20.4. REMUNERATION AND TERMS OF APPOINTMENT

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

21. INDEMNIFICATION

21.1. DEFINITIONS

In this Article 21:

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

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

a. is or may be joined as a party; or

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

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

21.2. MANDATORY INDEMNIFICATION OF DIRECTORS AND FORMER DIRECTORS

Subject to the *Business Corporations Act*, the Company must indemnify a director, former director or alternate director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses

actually and reasonably incurred by such person in respect of that proceeding. Each director and alternate director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 21.2.

21.3. INDEMNIFICATION OF OTHER PERSONS

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

21.4. NON-COMPLIANCE WITH *BUSINESS CORPORATIONS ACT*

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

21.5. COMPANY MAY PURCHASE INSURANCE

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

1. is or was a director, alternate director, officer, employee or agent of the Company;

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

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

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

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

22. DIVIDENDS

22.1. PAYMENT OF DIVIDENDS SUBJECT TO SPECIAL RIGHTS

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

22.2. DECLARATION OF DIVIDENDS

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

22.3. NO NOTICE REQUIRED

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

22.4. RECORD DATE

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

22.5. MANNER OF PAYING DIVIDEND

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

22.6. SETTLEMENT OF DIFFICULTIES

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

advisable, and, in particular, may:

1. set the value for distribution of specific assets;

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

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

22.7. WHEN DIVIDEND PAYABLE

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

22.8. DIVIDENDS TO BE PAID IN ACCORDANCE WITH NUMBER OF SHARES

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

22.9. RECEIPT BY JOINT SHAREHOLDERS

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

22.10. DIVIDEND BEARS NO INTEREST

No dividend bears interest against the Company.

22.11. FRACTIONAL DIVIDENDS

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

22.12. PAYMENT OF DIVIDENDS

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the 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 SURPLUS

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any 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 surplus or any part of the surplus.

23. DOCUMENTS, RECORDS AND REPORTS

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.

24. NOTICES

24.1. METHOD OF GIVING NOTICE

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

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

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

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

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

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

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

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

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

3. sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;

4. sending the record by email to the email 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 OF MAILING

A record that is 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.

24.3. CERTIFICATE OF SENDING

A certificate signed by the corporate secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 24.1, prepaid and mailed or otherwise sent as permitted by Article 24.1 is conclusive evidence of that fact.

24.4. NOTICE TO JOINT SHAREHOLDERS

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

24.5. NOTICE TO TRUSTEES

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

1. mailing the record, addressed to them:

a. by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and

b. at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

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

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.

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 the chair of the board or any senior officer together with the corporate secretary, treasurer, secretary-treasurer, an assistant corporate secretary, an assistant treasurer or an assistant corporate secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

26. PROHIBITIONS

26.1. DEFINITIONS

In this Article 26:

1. "designated security" means:

a. a voting security of the Company;

b. a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or

c. a security of the Company convertible, directly or indirectly into a security described in paragraph (a) or (b);

2. "security" has the meaning assigned in the *Securities Act* (British Columbia);

3. "voting security" mean a security of the Company that:

a. is not a debt security;

b. carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

26.2. APPLICATION

Article 26.3 does not apply to the Company if and for so long as it is a public company or a pre-existing reporting company which has the Statutory Reporting Company Provisions as part of its Articles or to which the Statutory Reporting Company Provisions apply.

26.3. CONSENT REQUIRED FOR TRANSFER OF SHARES OR DESIGNATED SECURITIES

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

27. CHANGE OF REGISTERED AND RECORDS OFFICE

The Company may appoint or change its registered and records offices, or either of them, and the agent responsible therefore, at any time by directors' resolution. After the appointment of the first registered and records office agent, such agent may terminate its appointment pursuant to the *Business Corporations Act*.

SCHEDULE "B"

MAG ONE PRODUCTS INC.
(the "Company")

ADVANCE NOTICE PROVISIONS

14.12 ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

(1) Subject only to the *Business Corporations Act* and these Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(a) by or at the direction of the board of directors, including pursuant to a notice of meeting;

(b) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with Division 7 of Part 5 of the *Business Corporations Act*, or a requisition of the shareholders made in accordance with section 167 of the *Business Corporations Act*; or

(c) by any shareholder of the Company (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Article 14.12 and at the close of business on the record date for notice of such meeting, is entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this Article 14.12.

(2) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given notice thereof that is both timely (in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below) to the Corporate Secretary of the Company at the head office of the Company.

(3) To be timely, a Nominating Shareholder's notice must be received by the Corporate Secretary of the Company:

(a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be received not later than the close of business on the 10th day following the Notice Date; and

(b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The time periods for the giving of a Nominating Shareholder's notice set forth above shall in all cases be determined based on the original date of the applicable annual meeting or special meeting of shareholders, and in no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of such notice.

(4) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company must set forth:

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

(A) the name, age, business address and residential address of the person; (B) the present principal occupation, business or employment of the person within the preceding five years, as well as the name and principal business of any company in which such employment is carried on; (C) the citizenship of such person; (D) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (E) confirmation that the person meets the qualifications of directors set out in the *Business Corporations Act*; and (F) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below); and

(b) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the *Business Corporations Act* and Applicable Securities Laws (as defined below).

The Nominating Shareholder's notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected. The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

(5) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(6) For purposes of this Policy:

(a) "**Applicable Securities Laws**" means the applicable securities legislation of each province and territory of Canada in which the Company is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada; and

(b) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(7) Notwithstanding any other provision of this Article 14.12, notice given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Corporate Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Corporate Secretary at the address of the head office of the Company, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then

such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

(8) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Article 14.12.

SCHEDULE "C"

MAG ONE PRODUCTS INC.
(the "Company")

AUDIT COMMITTEE CHARTER

1. Purpose

1.1. The Audit Committee is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Audit Committee's role is to:

(a) support the Board of Directors in meeting its responsibilities to shareholders;

(b) enhance the independence of the external auditor;

(c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors;

(d) increase the credibility and objectivity of the Company's financial reports and public disclosure.

1.2. The Audit Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.

1.3. The Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

2.1 Each member of the Audit Committee must be a director of the Company.

2.2 The Audit Committee will consist of at least three members, the majority of whom are neither officers nor employees of the Company or any of its affiliates.

2.3 The members of the Audit Committee will be appointed annually by and will serve at the discretion of the Board of Directors.

3. Authority

3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:

(a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities; and

(b) communicate directly with management and any internal auditor, and with the external auditor without management involvement.

(c) Approve interim financial statements and interim MD&A on behalf of the Board of Directors.

4. Duties and Responsibilities

4.1 The duties and responsibilities of the Audit Committee include:

(a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;

(b) recommending to the Board of Directors the compensation of the external auditor;

(c) reviewing the external auditor's audit plan, fee schedule and any related services proposals;

(d) overseeing the work of the external auditor;

(e) ensuring that the external auditor is in good standing with the Canadian Public Accountability Board and will enquire if there are any sanctions imposed by the CPAB on the external auditor;

(f) ensuring that the external auditor meets the rotation requirements for partners and staff on the Company's audits;

(g) reviewing and discussing with management and the external auditor the annual audited financial statements, including discussion of material transactions with related parties, accounting policies, as well as the external auditor's written communications to the Committee and to management;

(h) reviewing the external auditor's report, audit results and financial statements prior to approval by the Board of Directors;

(i) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;

(j) reviewing financial statements, MD&A and annual and interim earnings press releases prior to public disclosure of this information;

(k) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to is dissemination to the public;

(l) overseeing the adequacy of the Company's system of internal accounting controls and internal audit process obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;

(m) ensuring the integrity of disclosure controls and internal controls over financial reporting;

(n) resolving disputes between management and the external auditor regarding financial reporting;

(o) establishing procedures for:

i. the receipt, retention and treatment of complaints received by the Company from employees and others regarding accounting, internal accounting controls or auditing matters and questionable practices relating thereto; and

ii. the confidential, anonymous submission by employees of the Company or concerns regarding questionable accounting or auditing matters.

(p) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or the present external auditor;

(q) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the

Company's external auditor;

(r) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.

4.2 The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.

5. Meetings

5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company.

5.2 The members of the Audit Committee must elect a chair from among their number and may determine their own procedures.

5.3 The Audit Committee may establish its own schedule that it will provide to the Board of Directors in advance.

5.4 The external auditor is entitled to receive reasonable notice of every meeting of the Audit Committee and to attend and be heard thereat.

5.5 A member of the Audit Committee or the external auditor may call a meeting of the Audit Committee.

5.6 The Audit Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.

5.7 The Audit Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.

5.8 The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

6.1 The Audit Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.