

MONTFORT CAPITAL CORP.

INFORMATION CIRCULAR FOR THE SPECIAL MEETING OF THE HOLDERS OF COMMON SHARES AND PREFERRED SHARES TO BE HELD ON DECEMBER 9, 2022

(As at November 9th, 2022, unless indicated otherwise)

SOLICITATION OF PROXIES

This Information Circular is provided in connection with the solicitation of proxies by the management of Montfort Capital Corp. (the “**Company**”) for use at the special meeting of the shareholders of the Company to be held at 9:00 a.m. (Vancouver time) on December 9, 2022 (the “**Meeting**”), for the purposes set out in the accompanying notice of meeting and at any adjournment thereof. The solicitation will be made by mail and may also be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company. The Company will bear the cost of this solicitation. The Company will not reimburse shareholders, nominees or agents for the cost incurred in obtaining authorization to execute forms of proxy from their principals.

COVID GUIDELINES FOR THE MEETING.

The Meeting will be held in person. At the time of publication there were no restrictions on gatherings in the Province of British Columbia. The Company reserves the right to institute public health restrictions or procedures should it be advisable or required at the time of the meeting.

APPOINTMENT AND REVOCATION OF PROXY

Registered Shareholders

Registered Common Shareholders may vote their Common Shares by attending the Meeting in person as outlined above or by completing the enclosed white proxy. Registered Preferred Shareholders may vote their Preferred Shares by attending the Meeting in person as outlined above or by completing the enclosed yellow proxy. Registered shareholders should deliver their completed proxies to Computershare Trust Company of Canada, Proxy Dept., 100 University Avenue, 8th floor, Toronto, Ontario, M5J 2Y1 (by mail, telephone or internet according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the commencement of the Meeting, otherwise the shareholder will not be entitled to vote at the Meeting by proxy.

The persons named in the proxy are directors and officers of the Company and are proxyholders nominated by management. **A shareholder has the right to appoint a person other than the nominees of management named in the enclosed instrument of proxy to represent the shareholder at the Meeting. To exercise this right, a shareholder must insert the name of its nominee in the blank space provided. A person appointed as a proxyholder need not be a shareholder of the Company.**

A Registered shareholder may revoke a proxy by:

- (a) signing a proxy with a later date and delivering it at the place and within the time noted above;

- (b) signing and dating a written notice of revocation (in the same manner as the proxy is required to be executed, as set out in the notes to the proxy) and delivering it:
 - (i) to the registered office of the Company, care of MLT Aikins LLP, Suite 2600, 1066 West Hastings Street, Vancouver, BC, V6E 3X1, at any time up to and including 4:00 p.m. (Vancouver Time) on the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used; or
 - (ii) to the Chair of the Meeting on the day of the Meeting or any adjournment thereof;
- (c) attending the Meeting or any adjournment thereof and registering with the scrutineer as a shareholder present in person, whereupon such proxy shall be deemed to have been revoked; or
- (d) in any other manner provided by applicable law.

Beneficial Shareholders

The information set forth in this section is of significant importance to many shareholders, as many shareholders do not hold their shares in the Company in their own name. Shareholders holding their shares through banks, trust companies, securities dealers or brokers, trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans or other persons (any one of which is herein referred to as an “**Intermediary**”) or otherwise not in their own name (such shareholders herein referred to as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders appearing on the records maintained by the Company’s transfer agent as registered shareholders will be recognized and allowed to vote at the Meeting. If a shareholder’s shares are listed in an account statement provided to the shareholder by a broker, in all likelihood those shares are **not** registered in the shareholder’s name and that shareholder is a Beneficial Shareholder. Such shares are most likely registered in the name of the shareholder’s broker or an agent of that broker. In Canada the vast majority of such shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms. Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted at the Meeting at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting.**

Regulatory policies require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Beneficial Shareholders have the option of not objecting to their Intermediary disclosing certain ownership information about themselves to the Company (such Beneficial Shareholders are designated as non-objecting beneficial owners, or “**NOBOs**”) or objecting to their Intermediary disclosing ownership information about themselves to the Company (such Beneficial Shareholders are designated as objecting beneficial owners, or “**OBOs**”). The Company does not intend to pay for Intermediaries to forward the Meeting Materials to OBOs. OBOs will not receive the Meeting Materials unless their Intermediary assumes the cost of delivery.

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Company has elected to send the notice of meeting, this Information Circular and a request for voting instructions (a “**VIF**”), instead of a proxy (the notice of Meeting, Information Circular and VIF or proxy are collectively referred to as

the “**Meeting Materials**”) indirectly to the NOBOs and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to OBOs.

Meeting Materials sent to Beneficial Shareholders are accompanied by a VIF, instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholder is able to instruct the Intermediary (or other registered shareholder) how to vote the Beneficial Shareholder’s shares on the Beneficial Shareholder’s behalf. For this to occur, it is important that the VIF be completed and returned in accordance with the specific instructions noted on the VIF.

The majority of Intermediaries now delegate responsibility for obtaining instructions from Beneficial Shareholders to Broadridge Investor Communication Solutions (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable VIF, mails these VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, usually by way of mail, the Internet or telephone. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting by proxies for which Broadridge has solicited voting instructions. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the shares voted. If you have any questions respecting the voting of shares held through an Intermediary, please contact that Intermediary for assistance.

In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the shares which they beneficially own. **A Beneficial Shareholder receiving a VIF cannot use that form to vote Common Shares or Preferred Shares directly at the Meeting. Beneficial Shareholders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.** Should a Beneficial Shareholder who receives a VIF wish to attend the Meeting or have someone else attend on their behalf, the Beneficial Shareholder may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholder or their nominee the right to attend and vote at the Meeting.

Only registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change its vote must, at least seven days before the Meeting, arrange for its Intermediary to revoke its VIF on its behalf.

All references to shareholders in this Information Circular and the accompanying instruments of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

The Meeting Materials are being sent to both registered and non-registered owners of the Company’s Common Shares and Preferred Shares. If you are a Beneficial Shareholder and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of the Company’s securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the VIF.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

If a shareholder specifies a choice with respect to any matter to be acted upon, the shares represented by proxy will be voted or withheld from voting by the proxyholder in accordance with those instructions on any ballot that may be called for. In the enclosed forms of proxy, in the absence of any instructions in the proxy, it is intended that such shares will be voted by the proxyholder, if a nominee of management, in favour of the motions proposed to be made at the Meeting as stated under the headings in the notice of meeting accompanying this Information Circular. If any amendments or variations to such matters, or any other matters are properly brought before the Meeting, the proxyholder, if a nominee of management, will exercise its discretion and vote on such matters in accordance with its best judgment.

The instruments of proxy enclosed, in the absence of any instructions in the proxy, also confers discretionary authority on any proxyholder other than the nominees of management named in the instruments of proxy with respect to the matters identified herein, amendments or variations to those matters, or any other matters which may properly be brought before the Meeting. To enable a proxyholder to exercise its discretionary authority a shareholder must strike out the names of the nominees of management in the enclosed instrument of proxy and insert the name of its nominee in the space provided, and not specify a choice with respect to the matters to be acted upon. This will enable the proxyholder to exercise its discretion and vote on such matters in accordance with its best judgment.

At the time of printing this Information Circular, management of the Company is not aware that any amendments or variations to existing matters or new matters are to be presented for action at the Meeting.

Common Shareholders should complete and return the **white proxy**, while Preferred Shareholders should complete and return the **yellow proxy**. Common Shareholders are entitled to vote on all matters before the Meeting. Preferred Shareholders are only entitled to vote on the Amendment to Preferred Shares Resolution.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each of the following persons in any matter to be acted upon at the Meeting other than the Preferred Share Amendment Resolution (as defined herein):

- (a) each person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year;
- (b) each proposed nominee for election as a director of the Company; and
- (c) each associate or affiliate of any of the foregoing.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of common shares ("**Common Shares**") and an unlimited number of non-voting Series A Preferred shares ("**Preferred Shares**"). On November 2, 2022 (the "**Record Date**"), the Company had 91,505,730 Common Shares outstanding and 28,485,994 Preferred Shares outstanding. All Common Shares in the capital of the Company are of the same class and each carries the right to one vote. Common Shareholders of record on the Record Date are entitled to attend and vote at the Meeting on all matters except the Preferred Share Amendment Resolution. Preferred shareholders do not have the right to vote at the Meeting on any business before the Meeting other than the Preferred

Share Amendment Resolution, which vote is required by the articles of the Company. Each Preferred Share is of the same class and carries the right to one vote on the Preferred Share Amendment Resolution.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, there are no persons that beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the Common Shares of the Company, other than Kenneth Thomson, who holds approximately 19.1% of outstanding Common Shares and Blake Albright, who holds approximately 19.1% of outstanding Common Shares. To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, there are no persons that beneficially own, directly or indirectly, or exercise control or direction over, 10% or more of the Preferred Shares other than Kenneth Thomson, who holds approximately 26.3% of outstanding Preferred Shares, and Blake Albright, who holds approximately 28.1% of outstanding Preferred Shares.

As at the Record Date, the directors and officers of the Company beneficially own, directly or indirectly, 48,790,442 Common Shares, being 53.3% of the issued and outstanding Common Shares and 16,215,100 Preferred Shares, being 56.9% of the issued and outstanding Preferred Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

Common Share Amendments

Management is requesting that the shareholders of the Company approve a resolution to amend the Company's articles to authorize the amendment of certain special rights and restrictions attached to the Common Shares. The proposed amendments to the special rights and restrictions of the Common Shares will subordinate the Common Shares to all classes of preferred shares with respect to priority for dividends, return of capital or a distribution of assets in the event of a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (the "**Common Share Amendments**"). The blackline of the proposed amendments to the Company's articles to effect the Common Share Amendments is attached hereto as Schedule "A".

At the Meeting, Common Shareholders will be asked to consider and, if deemed advisable, pass a special resolution approving the proposed Common Share Amendments (the "**Amendment to Common Shares Resolution**"), which, to be effective, must be voted in favour by not less than 66 and two-thirds percent of the votes cast by the Common Shareholders present in person, or represented by proxy, at the Meeting.

The board of directors of the Company recommends that Common Shareholders vote FOR the Amendment to Common Shares Resolution. It is the intention of the management designees, if named as proxy, to vote FOR approving the Amendment to Common Shares Resolution.

Common Shareholders voting by proxy should complete the **white proxy**.

At the Meeting, the Common Shareholders will be asked to approve the following special resolution for Common Shareholders:

"BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

- (a) the articles of the Company be amended to modify the special rights attached to the Common Shares of the Company to effect the subordination of the Common Shares to all classes of preferred shares of the Company with respect to priority for dividends, return of capital and the distribution of assets in the event of liquidation, dissolution or the winding-up of the Company, whether voluntary or involuntary (the “**Special Rights Amendments**”), as set out in Schedule “A” to the management information circular of the Company dated November 9, 2022; and
- (b) any officer or director of the Company is hereby authorized to execute and deliver all documents, agreements, certificates and instruments and take any and all such further action as such officer or director, in his or her sole discretion, deems necessary or desirable in order to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery of such document, agreement, certificate or other instrument or the taking of any further action.”

The foregoing resolution must be approved by not less than 66^{2/3} percent of the votes cast by the Common Shareholders present in person, or represented by proxy, at the Meeting.

Preferred Share Amendments

Subject to the approval of the Amendment to Common Shares Resolution, Management is requesting that the Preferred Shareholders approve a special resolution to amend the Company’s articles and terms of the Series A Preferred Shares to authorize the modification of: (a) the special rights and restrictions attached to the Preferred Shares, and (b) the terms of the Series A Preferred Shares, with such amendments meant to give all series of the Preferred Shares first priority over all other classes of shares of the Company with respect to dividends, the return of capital or a distribution of assets in the event of a liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (the “**Preferred Share Amendments**”). The Preferred Share Amendments also include minor house-keeping amendments to the special rights and restrictions of the Preferred Shares in the articles of the Company and the terms of the Series A Preferred Shares. The blackline of the proposed amendments to the Company’s articles and terms to the Series A Preferred Shares necessary to effect the Preferred Share Amendments is attached hereto as Schedule “B”.

At the Meeting, Preferred Shareholders will be asked to consider and, if deemed advisable, pass a special resolution approving the proposed Preferred Share Amendments (the “**Amendment to Preferred Shares Resolution**”), which, to be effective, must be voted in favour by not less than 66 and two-thirds percent of the votes cast by the Preferred Shareholders present in person, or represented by proxy, at the Meeting.

The board of directors of the Company recommends that Preferred Shareholders vote FOR the Amendment to Preferred Shares Resolution. It is the intention of the management designees, if named as proxy, to vote FOR approving the Amended Special Rights Resolution.

Preferred Shareholders voting by proxy should complete the **yellow proxy**.

At the Meeting, Preferred Shareholders will be asked to approve the following special resolution:

“BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

- (a) the articles of the Company be amended to modify the special rights attached to the Preferred Shares of the Company to effect the first priority to be attached to the Preferred Shares over all other classes of shares of the Company with respect to dividends, return of capital and the distribution of assets in the event of liquidation, dissolution or the winding-up of the Company, whether voluntary or involuntary and other house-keeping amendments (the “**Preferred Share Amendments**”), as set out in Schedule “B” to the management information circular of the Company dated November 9, 2022; and
- (b) the terms of the Series A Preferred Shares, as include in the articles of the Company, be amended to effect the Preferred Share Amendments, as set out in Schedule “B” to the management information circular of the Company dated November 9, 2022; and
- (c) any officer or director of the Company is hereby authorized to execute and deliver all documents, agreements, certificates and instruments and take any and all such further action as such officer or director, in his or her sole discretion, deems necessary or desirable in order to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery of such document, agreement, certificate or other instrument or the taking of any further action.”

New Preferred Share Classes Resolution

Subject to approval of the Amendment to Common Shares Resolution and Amendment to Preferred Shares Resolution, Common Shareholders will be asked at the Meeting to consider and, if though appropriate, approve an ordinary resolution (the “**New Preferred Share Classes Resolution**”) authorizing the amendment to the articles of the Company to attach special rights and restrictions to the Class B preferred shares and Class C preferred shares (collectively, the “**New Preferred Shares**”) that are to be created by resolution of the board of directors following the Meeting. As of the date of this Circular, the authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares. Pursuant to the New Preferred Share Classes Resolution, the Company will seek authorization from Common Shareholders to attach certain special rights and restrictions to the Class B preferred shares and Class C preferred shares once such share classes are reflected in the Notice of Articles of the Company.

Terms of the New Preferred Shares

A) Class B preferred shares

The Class B preferred shares will have special rights and restrictions attached thereto which provide, among other things, that they: (i) are non-voting except in certain limited circumstances; (ii) are issuable in series; (iii) are eligible for dividends; and (iv) have priority rights with respect to preference as to dividends and return and capital, subject to the priority of the Preferred Shares (provided the Amendment to Preferred Shares Resolution and Amendment to Common Shares Resolution passes). The full text of the rights, privileges and restrictions which attach to the Class B preferred shares is attached hereto as Schedule “C”.

B) Class C preferred shares

The Class C preferred shares will have special rights and restrictions attached thereto which provide, among other things, that they: (i) are non-voting except in certain limited circumstances;

(ii) are issuable in series; (iii) are eligible for dividends; and (iv) have priority rights with respect to preference as to dividends and return and capital, subject to the priority of the Preferred Shares (provided the Amendment to Preferred Shares Resolution and Amendment to Common Shares Resolution passes) and the Class B preferred shares. The full text of the rights, privileges and restrictions which attach to the Class C preferred shares is attached hereto as Schedule "D".

Board Recommendation

The Board recommends that the Common Shareholders vote FOR the New Preferred Share Classes Resolution. It is the intention of the management designees, if named as proxy, to vote FOR approving the New Preferred Share Classes Resolution.

Resolution

At the Meeting, the Common Shareholders will be asked to approve the following ordinary resolution:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) the creation of the special rights and restrictions for, and the attachment thereof to the Class B and Class C preferred shares respectively, such rights and restrictions as set out in Schedule "C" and "D" to the management information circular of the Company dated November 9, 2022, respectively, be and is hereby approved;
- (b) any officer or director of the Company is hereby authorized to execute and deliver all documents, agreements, certificates and instruments and take any and all such further action as such officer or director, in his or her sole discretion, deems necessary or desirable in order to give effect to the foregoing, such determination to be conclusively evidenced by the execution and delivery of such document, agreement, certificate or other instrument or the taking of any further action."

The foregoing resolution must be approved by not less than 50 percent of the votes cast by the holders of the Common Shares present in person, or represented by proxy, at the Meeting.

OTHER MATTERS

It is not known whether any other matters will come before the Meeting other than those set forth above and in the notice of meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters ratified in the notice of meeting and other matters which may properly come before the Meeting or any adjournment.

ADDITIONAL INFORMATION

Additional information on the Company is available on the internet on SEDAR at www.sedar.com.

DATED November 9, 2022.

BY THE MANAGEMENT OF
MONTFORT CAPITAL CORP.

"Michael Walkinshaw"

Michael Walkinshaw
Director and Chief Executive Officer

SCHEDULE "A"

COMMON SHARE AMENDMENTS

28. SPECIAL RIGHTS AND RESTRICTIONS OF COMMON SHARES

The Common shares, as a class, shall have attached to them the following rights, privileges, restrictions and conditions:

28.1 Voting

The holders of the Common shares shall each be entitled to:

- (a) receive notice of, and to attend at, all meetings of shareholders of the Company, except meetings at which only holders of another class of shares of the Company not held by such shareholder are entitled to vote separately as a class; and
- (b) one vote in respect of each Common share held by such shareholder on each matter presented to the shareholders of the Company for their action or consideration at a meeting of shareholders of the Company, except matters on which only holders of a class of shares of the Company other than the Common shares are entitled to vote separately as a class.

28.2 Dividends

Subject to any preferential rights and restrictions contained in these Articles and any other shares ranking senior to the Common Shares with respect to priority in the payment of dividends, the return of capital and the distribution of assets upon liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, the holders of Common shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Company may from time to time determine.

28.3 Dissolution, Liquidation or Winding Up

~~In the event of the dissolution, liquidation or winding up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, subject to the prior rights of the holders of any shares ranking senior to the Common shares with respect to priority in the distribution of assets upon dissolution, liquidation or winding up, upon full payment to the holders of Preferred shares of any declared but unpaid dividends, the holders of the Common shares and the holders of the Preferred shares shall be entitled to receive the remaining property and assets of the Company on a pro-rata share for share basis.~~

Subject to any preferential rights and restrictions contained in these Articles and any other shares ranking senior to the Common Shares, the holders of the Common Shares shall be entitled to share in the remaining property of the Company upon liquidation, dissolution, bankruptcy, winding-up or other distribution of the assets of the Company among its shareholders for the purpose of winding-up its affairs.

28.4 Modifications

The special rights and restrictions attached to the Common shares of the Company shall not be modified, abrogated, dealt with or affected unless the holders of the Common shares consent thereto by separate special resolution. At any class meeting of Common shares, all the provisions of these Articles relating in any manner to general meetings or to the proceedings thereat, or to the rights of shareholders at or in connection therewith, shall mutatis mutandis apply.

SCHEDULE "B"

PREFERRED SHARE AMENDMENTS

29. SPECIAL RIGHTS AND RESTRICTIONS OF CLASS A PREFERRED SHARES

The Class A preferred shares, as a class, shall have the attached to them the following special rights and restrictions:

29.1 Voting

The holders of the Class A preferred shares shall have ~~any~~ the right to receive notice of and attend at any ~~general~~ meeting of the shareholders of the Company. Holders of the Class A preferred shares shall not have the right to vote at any general meeting of the shareholders of the Company.

29.2 Priority

~~No special rights or restrictions attached to a series of Preferred shares shall confer upon that series a priority in respect of dividends or return of capital over any other series of Preferred shares then outstanding. The Preferred shares shall be entitled to priority over the Common shares of the Company and over any other shares of the Company ranking junior to the Preferred shares with respect to: (a) the payment of dividends; and (b) to the extent necessary to satisfy in full all claims with respect to declared but unpaid dividends in respect of all Preferred shares outstanding, the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs.~~

No special rights or restrictions attached to a series of Class A preferred shares shall confer upon that series a priority in respect of dividends or return of capital over any other series of Class A preferred shares then outstanding.

The Class A preferred shares shall have priority over the Common Shares and any other class of shares of the Company ranking junior to the Class A preferred shares, and each series of Class A preferred shares shall rank on parity with every other series of Class A preferred shares, in each case with respect to the payments of dividends, the return of capital and the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

29.3 Dividends

The holders of Class A preferred shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Company may from time to time determine. After payment to the holders of Class A preferred shares of the amounts of dividends and capital payable in accordance with these Articles and the rights, privileges and restrictions attached to each series of Class A preferred shares, which for greater certainty and pursuant to Section 29.2 of these Articles are payable in priority over any amounts payable to the Common shares of the Company and over any other shares of the Company ranking junior to the Class A preferred shares, the holders of Class A preferred shares shall not be entitled to share in any further distribution of the property and assets of the Company except as expressly set out in these Articles. The Class A preferred shares of any series may also be given such other preferences over the Common shares and over any other shares ranking junior to the Class A preferred shares as may be determined in the case of such series of Preferred shares.

29.4 Liquidation, Dissolution or Winding Up

~~If, upon the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the property or assets of the Company among its shareholders for the purpose of winding up its affairs, there are insufficient assets to satisfy in full all claims with respect to declared but unpaid dividends in respect of all Preferred shares outstanding, all such Preferred shares shall participate rateably in the assets available to satisfy such claims based on the total amount of all such claims relative to the total amount of the assets available. In accordance with Section 29.2 of these Articles, in the case of the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, the Preferred shares are entitled to priority over the Common shares of the Company and over any other shares of the Company ranking junior to the Preferred shares with respect to the satisfaction in full therefrom of all declared but unpaid dividends in respect of all Preferred shares outstanding. Upon full payment of all declared but unpaid dividends, the Preferred shares shall rank pari passu with the Common shares, on a share for share basis, with respect to the distribution of assets in the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs.~~

In the event of liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Class A preferred shares shall be entitled to receive any declared but unpaid dividends or amounts payable on a return of capital in respect of a series of Class A preferred shares and if such amounts are not paid in full, the Class A preferred shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class A preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Class A preferred shares of the amount so payable to such holders as herein provided, the holders of such series of Class A preferred shares shall not be entitled to share in any further distribution of the property or assets of the Company in the event of the liquidation, dissolution or winding up of the Company.

29.5 Issuable in Series

The board of directors of the Company may issue the Class A preferred shares at any time and from time to time in one or more series and, before the first shares of any particular series are issued, shall fix the number of Class A preferred shares in such series and, determine, subject to the limitations in these Articles, the designation, rights, privileges, restrictions and conditions attached to the shares of such series including without limitation, the rate or rates, amount or method or methods of calculation of dividends thereon, the time and place of payment of dividends, whether cumulative or non-cumulative or partially cumulative and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment of dividends, the priorities thereof in relation to other shares or the priorities of other shares in relation thereto, if any, the consideration and the terms and conditions of any purchase for cancellation, retraction or redemption rights, if any, the conversion or exchange rights attached thereto, if any, the voting rights attached thereto, if any, and the terms and conditions of any share purchase plan or sinking fund with respect thereto.

29.6 Modifications

The special rights and restrictions attached to the Class A preferred shares of the Company shall not be modified, abrogated, dealt with or affected unless the holders of the Class A preferred shares consent thereto by separate ordinary resolution. At any class meeting of Class A preferred shares, all the provisions of these Articles relating in any manner to general meetings or to the proceedings thereat, or to the rights of shareholders at or in connection therewith, shall mutatis mutandis apply, except that the necessary quorum shall be a person or persons collectively holding or representing by proxy not less than 5% of the then outstanding Class A preferred shares.

Terms of the Series A Class A Preferred Shares

1. Designation and Number of Shares. There shall hereby be created and established a series of Class A preferred shares of ~~TIMEA~~ Montfort Capital Corp. (the “Company”) designated as “Series A Class A Preferred Shares” (the “Series A Preferred Shares”). The authorized number of Series A Preferred Shares shall be unlimited. Capitalized terms not defined herein shall have the meaning as set forth in Section 18 below. No dividends shall accrue or be payable with respect to the Series A Preferred Shares except as set forth in Section 9 below.
2. Ranking. Except with respect to any other series of Class A preferred shares of pari passu rank to the Series A Preferred Shares in respect of the preferences as to dividends and return of capital of the Company (collectively, the “Parity Shares”), all shares in the capital of the Company shall be junior in rank to the Series A Preferred Shares with respect to the preference as to dividends, return of capital, and distributions of assets in the event of liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (collectively, the “Junior Shares”). ~~In respect of distributions and payments upon the liquidation, dissolution and winding-up of the Company, the Series A Preferred Shares shall rank pari passu with the Junior Shares, provided that the Series A Preferred Shares shall have priority to receive full payment of declared but unpaid dividends.~~ The rights of all Junior Shares of the Company shall be subject to the rights, powers, preferences and privileges of the Series A Preferred Shares set forth herein. For the avoidance of doubt, in no circumstance will a Series A Preferred Share have any rights subordinate or otherwise inferior to the rights of Parity Shares or Common Shares (as defined below).
3. Retraction. Each Series A Preferred Share shall be retractable on the terms and conditions set forth in this Section 3.
 - (a) Company’s Retraction Right. At any time or times on or after the date that is the three (3) year anniversary of the Initial Issuance Date, the Company shall be entitled, at the Company’s option, to repurchase the Series A Preferred Shares (the “Retraction Right”). The Company may exercise its Retraction Right pro rata in respect of all or any lesser number of the Series A Preferred Shares held by each holder of Series A Preferred Shares (each, a “Holder” and collectively, the “Holders”). Upon exercise of the Retraction Right, each Holder, shall have the option to receive either (i) validly issued, fully paid and non-assessable Common Shares in exchange for such Holder’s Series A Preferred Shares at the Exchange Rate, or (ii) a cash payment in an amount equal to the subscription price paid per Series A Preferred Share (the “Holder’s Election”).
 - (b) Exchange Rate. The number of validly issued, fully paid and non-assessable Common Shares issuable upon retraction of each Series A Preferred Share of which the Holder elects to exchange for Common Shares pursuant to Section 3(a) shall initially be set at 1:1 (the “Exchange Rate”), subject to adjustment as provided herein. No fractional Common Shares are to be issued upon the conversion of any Series A Preferred Shares. If the issuance would result in the issuance of a fraction of a Common Share, the Company shall round such fraction of a Common Share down to the nearest whole Common Share.
 - (c) Manner of Exercise. The Retraction Right shall be exercised in the following manner:
 - (i) Notice. Should the Company elect to exercise its Retraction Right, the Company shall deliver written notice to each Holder (the “Retraction Notice”). Within ten (10) days of receiving the Retraction Notice (the “Holder’s Election Deadline”), the Holder shall make the Holder’s Election by delivering written notice of such election in accordance with the instructions set forth in the - 44 - Retraction Notice (the “Holder’s Election Notice”), accompanied by any certificates representing the Holder’s Series A Preferred Shares. Should the Company not receive the Holder’s Election Notice by the Holder’s Election Deadline, the Company shall make the Holder’s Election for such Holder in its

sole discretion. Such decision made by the Company shall be binding and final on the Holder and the Company.

- (ii) Exercise of Retraction Right. On or before the tenth (10th) Business Day following the Holder's Election Deadline, the Company shall, based upon the Holder's Election, issue and deliver, or cause to be issued and delivered, to the address as specified in such Holder's Election Notice, or to the address specified in the register maintained by the Company for the Series A Preferred Shares if no address is specified or no Holder's Election Notice is provided, either (A) a certificate, registered in the name of such Holder or its designee, for the number of Common Shares to which such Holder shall be entitled, or (B) a cheque representing the aggregate amount payable in exchange for such Holder's repurchased Series A Preferred Shares. If the number of Series A Preferred Shares elected to be repurchased pursuant to Section 3(c)(i) is less than the number of Series A Preferred Shares held by the Holder, then the Company shall issue and deliver to such Holder (or its designee) a new certificate representing the Series A Preferred Shares not repurchased.
- (iii) Record Holder. If applicable, the Person or Persons entitled to receive the Common Shares issuable upon a repurchase of Series A Preferred Shares shall be treated for all purposes as the record holder or holders of such Common Shares on the date of repurchase.
- (iv) Determinations of the Company. Any question arising with respect to any exchanges or any adjustments pursuant to Section 3 shall, absent manifest error, be conclusively determined by the Company and such determination shall, absent manifest error, be binding upon all of the Holders of Series A Preferred Shares.
- (v) Taxes. The Holder shall pay any and all documentary, stamp, transfer (but only in respect of the registered holder thereof), issuance and other similar taxes that may be payable with respect to the issuance and delivery of Common Shares upon any of the Series A Preferred Shares subject to exchange and repurchase.

4. Conversion. Each Series A Preferred Share shall be convertible on the terms and conditions set forth in this Section 4.

- (a) Holder's Conversion. At any time or times on or after the Initial Issuance Date, the Holder shall be entitled, at the Holder's option, to receive validly issued, fully paid and non-assessable Common Shares in exchange for such Holder's Series A Preferred Shares at the Exchange Rate (the "Conversion Right").
- (b) Exchange Rate. The number of validly issued, fully paid and non-assessable Common Shares issuable upon conversion of each Series A Preferred Share of which the Holder elects to exchange for Common Shares pursuant to Section 4(a) shall initially be set at the Exchange Rate, subject to adjustment as provided herein. No fractional Common Shares are to be issued upon the conversion of any Series A Preferred Shares. If the issuance would result in the issuance of a fraction of a Common Share, the Company shall round such fraction of a Common Share down to the nearest whole Common Share.
- (c) Manner of Exercise. The Conversion Right shall be exercised in the following manner:
 - (i) Notice. Should the Holder elect to exercise its Conversion Right, the Holder shall deliver written notice to the Company (the "Conversion Notice") accompanied by any certificates representing the Holder's Series A Preferred Shares. The Conversion Notice shall set out the number of Series A Preferred Shares the Holders is electing to convert, as well as the registration and delivery instructions

for the Common Shares to be issued upon exercise of the Holder's Conversion Right. The Holder shall provide any other information reasonably required by the Company in order that the Company issue Common Shares upon exercise of the Conversion Right.

- (ii) Exercise of Conversion Right. On or before the tenth (10th) Business Day following the receipt of the Conversion Notice, the Company shall, based upon the instructions in the Conversion Notice, issue and deliver, or cause to be issued and delivered, to the address as specified in the Conversion Notice a certificate, registered in the name of such Holder or its designee, for the number of Common Shares to which such Holder shall be entitled. If the number of Series A Preferred Shares elected to be converted pursuant to Section 4(c)(i) is less than the number of Series A Preferred Shares held by the Holder, then the Company shall issue and deliver to such Holder (or its designee) a new certificate representing the Series A Preferred Shares not converted.
 - (iii) Record Holder. If applicable, the Person or Persons entitled to receive the Common Shares issuable upon a conversion of Series A Preferred Shares shall be treated for all purposes as the record holder or holders of such Common Shares on the date of conversion.
 - (iv) Determinations of the Company. Any question arising with respect to any exchanges or any adjustments pursuant to Section 4 shall, absent manifest error, be conclusively determined by the Company and such determination shall, absent manifest error, be binding upon all of the Holders of Series A Preferred Shares.
- (d) Taxes. The Holder shall pay any and all documentary, stamp, transfer (but only in respect of the registered holder thereof), issuance and other similar taxes that may be payable with respect to the issuance and delivery of Common Shares upon any of the Series A Preferred Shares subject to conversion.

5. Adjustments.

- (a) Adjustment of Exchange Rate upon Subdivision or Combination of Common Shares. Without limiting any provision of Section 9, if the Company at any time on or after the Initial Issuance Date subdivides (by any share split, share dividends, recapitalization or otherwise) its outstanding Common Shares into a greater number of shares, the Exchange Rate in effect immediately prior to such subdivision will be proportionately increased. Without limiting any provision of Section 9, if the Company at any time on or after the Initial Issuance Date combines (by combination, reverse share split or otherwise) its outstanding Common Shares into a smaller number of shares, the Exchange Rate in effect immediately prior to such combination will be proportionately decreased. Any adjustment pursuant to this Section 5 shall become effective immediately after the effective date of such subdivision or combination. If any event requiring an adjustment under this Section 5 occurs during the period that an Exchange Rate is - 46 - calculated hereunder, then the calculation of such Exchange Rate shall be adjusted appropriately to reflect such event.
- (b) Rights Upon Fundamental Transactions. The Company shall not enter into or be party to a Fundamental Transaction unless the Successor Entity assumes in writing all of the obligations of the Company under these terms in accordance with the provisions of this Section 5(b) pursuant to written agreements in form and substance satisfactory to the Required Holders and approved by the Required Holders prior to such Fundamental Transaction, including agreements to deliver to each holder of Series A Preferred Shares in exchange for such Series A Preferred Shares a security of the Successor Entity evidenced by a written instrument substantially similar in form and substance to these

terms and having similar ranking to the Series A Preferred Shares, and reasonably satisfactory to the Required Holders. Upon the occurrence of any Fundamental Transaction, the Successor Entity shall succeed to, and be substituted for (so that from and after the date of such Fundamental Transaction, the provisions of these terms and the other Transaction Documents referring to the “Company” shall refer instead to the Successor Entity), and may exercise every right and power of the Company and shall assume all of the obligations of the Company under these terms and the other Transaction Documents with the same effect as if such Successor Entity had been named as the Company herein and therein. In addition to the foregoing, upon consummation of a Fundamental Transaction, the Successor Entity shall deliver to each Holder confirmation that there shall be issued upon any exchange of the Series A Preferred Shares pursuant to the Retraction Right or Conversion Right, as applicable, at any time after the consummation of such Fundamental Transaction, in lieu of the Common Shares (or other securities, cash, assets or other property (except such items still issuable under Section 5(a), which shall continue to be receivable thereafter)) issuable upon the exchange or conversion of the Series A Preferred Shares prior to such Fundamental Transaction, such publicly traded common shares (or their equivalent) of the Successor Entity (including its Parent Entity, if applicable) that each Holder would have been entitled to receive upon the happening of such Fundamental Transaction had all the Series A Preferred Shares held by each Holder been exchanged or converted, as applicable, immediately prior to such Fundamental Transaction (without regard to any limitations on the exchange or conversion of the Series A Preferred Shares contained herein), as adjusted in accordance with the provisions herein. The provisions of this Section 5(b) shall apply similarly and equally to successive Fundamental Transactions and shall be applied without regard to any limitations herein on the exchange of the Series A Preferred Shares.

- (c) Coattail Provisions. For so long as the Company is a reporting issuer in a province of Canada, if, after the Initial Issuance Date, a “take-over bid”, as defined in National Instrument 62-104 – Take-over Bids and Issuer Bids, is made for outstanding Common Shares or other series or class of Class A preferred shares (a “Class Offer”) and the Class Offer does not include a concurrent identical take-over bid for the Series A Preferred Shares (the “Coattail Shares”), including in terms of price per security and percentage of outstanding securities to be taken up exclusive of securities owned immediately before the bid by the offeror, or associates or affiliates of the offeror, and in all other material respects), then the Company shall by press release provide written notice to the holders of the Coattail Shares that the Class Offer has been made and of the right of such holders to convert all or a part of their Coattail Shares into the Common Shares or other series or class of Class A preferred shares that are subject to the Class Offer (the “Bid Shares”) and tender such Bid Shares to the Class Offer. Such Coattail Shares may, in such circumstances, be converted at any time prior to the business day that is five business days prior to the expiry of the Class Offer (the “Conversion End Date”) by delivering a notice to the Company and surrendering such Series A Preferred Shares by 5:00 p.m. (Vancouver time) on the Conversion End Date. Any such Coattail Shares so delivered shall be converted into Bid Shares and tendered on behalf of the Holder to the Class Offer. In connection with such conversion and tender by any such Holder, the Holder shall complete and execute any and all such documentation as the Company shall require or consider necessary to give effect to this provision. For each Coattail Share so converted, a Holder will receive a number of Bid Shares calculated based on the Coattail Exchange Rate as of the Conversion End Date, provided that, to the extent that such Bid Shares are not acquired pursuant to the Class Offer, such Bid Shares shall be reconverted into that number of Coattail Shares held by the Holder prior to the conversion. Fractional Bid Shares will not be issued and the number of Bid Shares issuable under this provision to a Holder will be rounded down to the nearest whole Bid Share.

6. Authorized Common Shares. Prior to the delivery of any Retraction Notice, the Company shall reserve and authorize for issuance such number of Common Shares as required to satisfy the exchange of each Series A Preferred Share subject to any such Retraction Notice.

7. Voting Rights. Holders of Series A Preferred Shares shall have no voting rights, except as required by law and as expressly provided in these terms. To the extent that holders of the Series A Preferred Shares are entitled to vote on a matter with holders of Common Shares, voting together as one class, each Series A Preferred Share shall entitle the holder thereof to cast that number of votes per share as is equal to the number of Common Shares into which it is then exchangeable using the record date for determining the shareholders of the Company eligible to vote on such matters as the date as of which the Exchange Rate is calculated. Holders of the Series A Preferred Shares shall be entitled to written notice and attend at all general shareholder meetings, which notice would be provided pursuant to the Company's articles and applicable law. In connection with any action to be taken by the Company which requires the approval of Holders of Series A Preferred Shares voting as a series, each such Series A Preferred Share will entitle the Holder thereof to one vote.

8. Liquidation, Dissolution, Winding-Up. ~~Upon a Liquidation Event, subject to the prior rights of the holders of any other series of Preferred shares and subject to the right of the Series A Preferred Shares, to have priority to receive full payment of declared but unpaid dividends, the holders of Series A Preferred Shares shall rank pari passu with the holders of Common Shares of the Company with respect to any entitlement to receive in cash out of the assets of the Company, whether from capital or from earnings available for distribution to its shareholders (the "Liquidation Funds").~~

In the event of liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of the Series A Preferred Shares shall be entitled to receive any declared but unpaid dividends or amounts payable on a return of capital in respect of a series of Class A preferred shares and if such amounts are not paid in full, the Class A preferred shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class A preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Class A preferred shares of the amount so payable to such holders as herein provided, the holders of such series of Class A preferred shares shall not be entitled to share in any further distribution of the property or assets of the Company in the event of the liquidation, dissolution or winding up of the Company.

9. Participation.

- (a) Dividends. From and after the issuance date of any Series A Preferred Share (the "Date of Issuance"), holders of the Series A Preferred Shares will be entitled to receive fixed quarterly non-cumulative preferential cash dividends, as and when declared by the Board of Directors at a rate to be determined by the Board of Directors. Each declaration will be final and binding on the Holders and the Company and, if declared by the Board of Directors, will be declared on or before the day that is 45 days after the end of the applicable financial quarter. Once declared, all dividends on any Series A Preferred Share, shall be paid quarterly in cash on ~~the 25th~~ such date as determined by the Board of Directors following the date of declaration out of funds legally available therefor and at all times upon a liquidation in accordance with the provisions of Section 8. All accrued and declared dividends on the Series A Preferred Shares shall be prior and in preference to any dividend on any Junior Shares and shall be fully declared and paid before any dividends are declared and paid, or any other distributions or redemptions are made, on any Junior Shares. Any dividends declared on the Series A Preferred Shares will be paid by forwarding, by prepaid post, addressed to each registered holder of the Series A Preferred Shares at the address of such holder as it appears on Series A Preferred Shares register maintained by the Company or, in the case of joint registered holders, to the address of that one whose name stands first in the Series A Preferred

Shares register as one of such joint holders, a cheque for such dividends (less any tax deducted in conformity with applicable laws) payable to the order of such registered holder or, in the case of joint registered holders, to the order of all such holders failing written instructions from them to the contrary. Notwithstanding the foregoing, any dividend cheque may be delivered by the Company to a registered holder of Series A Preferred Shares at such registered holder's address as aforesaid. The forwarding or delivery of such cheque shall satisfy such dividends to the extent of the sum represented thereby (plus the amount of any tax deducted in conformity with applicable laws) and shall be deemed to be payment to holders of Series A Preferred Shares and discharge all liability for the dividends payable unless such cheque be not paid on presentation. Each dividend on the Series A Preferred Shares shall be paid to the registered holders appearing on the registers at the close of business on such day (which shall not be more than 35 days preceding the date fixed for payment of such dividend) as may be determined from time to time by the Board of Directors.

(b) Distribution. Except as otherwise provided herein, if at any time the Company pays less than the total amount of dividends then declared and accrued with respect to the Series A Preferred Shares, such payment shall be distributed pro rata among the holders thereof based upon the aggregate accrued but unpaid dividends on the Series A Preferred Shares held by each such holder.

10. Redemption. The Series A Preferred Shares shall not be redeemable.

11. Lost or Stolen Certificates. Upon receipt by the Company of evidence reasonably satisfactory to the Company of the loss, theft, destruction or mutilation of any certificates representing Series A Preferred Shares (as to which a written certification and the indemnification contemplated below shall suffice as such evidence), and, in the case of loss, theft or destruction, of an indemnification undertaking by the applicable Holder to the Company in customary and reasonable form and, in the case of mutilation, upon surrender and cancellation of the certificate(s), the Company shall execute and deliver new certificate(s) of like tenor and date.

12. Remedies, Other Obligations, Breaches and Injunctive Relief. The remedies provided in these terms shall be cumulative and in addition to all other remedies available under these terms, at law or in equity (including a decree of specific performance and/or other injunctive relief), and no remedy contained herein shall be deemed a waiver of compliance with the provisions giving rise to such remedy. Nothing herein shall limit any Holder's right to pursue actual and consequential damages for any failure by the Company to comply with the terms hereof. Amounts set forth or provided for herein with respect to payments, conversion and the like (and the computation thereof) shall be the amounts to be received by a Holder and shall not, except as expressly provided herein, be subject to any other obligation of the Company (or the performance thereof). The Company acknowledges that a breach by it of its obligations hereunder may cause irreparable harm to the Holders and that the remedy at law for any such breach may be inadequate. The Company therefore agrees that, in the event of any such breach or threatened breach, each Holder shall be entitled, in addition to all other available remedies, to seek an injunction restraining any such breach or any such threatened breach, without the necessity of showing economic loss and without any bond or other security being required, to the extent permitted by applicable law. The Company shall provide all information and documentation to a Holder that is reasonably requested by such Holder to enable such Holder to confirm the Company's compliance with the terms and conditions of these terms.

13. Non-circumvention. The Company hereby covenants and agrees that the Company will not, by amendment of its constituting documents or through any reorganization, transfer of assets, consolidation, merger, plan of arrangement, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms hereof, and will at all times in good faith carry out all the provisions these terms and take all action as may be reasonably required to protect the rights of the Holders. Without limiting the generality of the foregoing or any other provision of these terms, the Company (i) shall take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and non-assessable Common Shares upon the conversion of Series A Preferred Shares and (ii) shall, so long as any Series A Preferred Shares are outstanding, take all action necessary to reserve and keep available out of its authorized and unissued Common Shares, solely for the

purpose of effecting the conversion of the Series A Preferred Shares, the maximum number of Common Shares as shall from time to time be necessary to effect the conversion of the Series A Preferred Shares then outstanding (without regard to any limitations on conversion contained herein).

14. Failure or Indulgence Not Waiver. No failure or delay on the part of a Holder in the exercise of any power, right or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving party.

15. Notices. The Company shall provide each Holder of Series A Preferred Shares with prompt written notice of all actions taken pursuant to the terms hereof, including in reasonable detail a description of such action and the reason therefor. All notices, demands, requests, consents, approvals, and other communications required or permitted hereunder shall be in writing and, unless otherwise specified herein, shall be (i) personally served, (ii) deposited in the mail, registered or certified, return receipt requested, postage prepaid, (iii) delivered by reputable courier service with charges prepaid, or (iv) transmitted by hand delivery or electronic mail, addressed as set forth below or to such other address as such party shall have specified most recently by written notice. Any notice or other communication required or permitted to be given hereunder shall be deemed effective (a) upon hand delivery, or electronic mail at the address or number designated below (if delivered on a Business Day during normal business hours where such notice is to be received), or the first Business Day following such delivery (if delivered other than on a Business Day during normal business hours where such notice is to be received) or (b) on the second Business Day following the date of mailing by express courier service, fully prepaid, addressed to such address, or upon actual receipt of such mailing, whichever shall first occur. The addresses for such communications shall be: (i) if to the Company, to the address of its head office as listed under its issuer profile at www.sedar.com; and if to the Holder to the address in the Series A Preferred Share Register maintained pursuant to Section 16. Without limiting the generality of the foregoing, the Company shall give written notice to each Holder (i) promptly following any adjustment of the Exchange Rate, setting forth in reasonable detail, and certifying, the calculation of such adjustment and (ii) at least five (5) days prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Shares, or (B) for determining rights to vote with respect to any dissolution or liquidation, provided, in each case, that such information shall be made known to the public prior to, or simultaneously with, such notice being provided to any Holder.

16. Series A Preferred Shares Register. The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holders), a register for the Series A Preferred Shares, in which the Company shall record the name, address and electronic mail address of the Persons in whose name the Series A Preferred Shares have been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Series A Preferred Shares is registered on the register as the owner and holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any properly made transfers.

17. Shareholder Matters; Amendment.

- (a) Shareholder Matters. Any shareholder action, approval or consent required, desired or otherwise sought by the Company pursuant to the applicable laws, the constating documents of the Company, the terms hereof or otherwise with respect to the issuance of Series A Preferred Shares may be effected by written consent of the Company's shareholders or at a duly called meeting of the Company's shareholders, all in accordance with applicable laws.
- (b) Amendment. The terms or any provision hereof may be amended by obtaining the affirmative vote at a meeting duly called for such purpose, or the written consent without a meeting, of the Required Holders, voting together as a single class, and with such other shareholder approval, if any, as may then be required by applicable laws and constating documents of the Company.

18. Certain Defined Terms. For purposes of these terms, the following terms shall have the following meanings:

- (a) "Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in the City of Vancouver, British Columbia are authorized or required by law to remain closed.
- (b) "Coattail Exchange Rate" is equal to: A / B where: A equals: the price per Coattail Share calculated as follows: (i) the aggregate gross proceeds received by the Company for the issuance of the outstanding Coattail Shares divided by (ii) the number of Coattail Shares issued and outstanding. B equals: the deemed price per Bid Share payable pursuant to the Class Offer.
- (c) "Common Shares" means the common shares in the capital of the Company, as constituted from time to time.
- (d) "Fundamental Transaction" means:
 - (i) the purchase or acquisition by any Person, or group of Persons acting jointly or in concert, of voting control or direction of an aggregate of 50% or more of the outstanding Common Shares, or securities convertible into or carrying the right to acquire Common Shares, other than as a result of the conversion of the Series A Preferred Shares hereunder;
 - (ii) the completion by the Company of an amalgamation, arrangement, merger or other consolidation or combination of the Company with another corporation or entity which requires approval of the shareholders of the Company pursuant to its constating documents, such that Persons would beneficially own, or exercise control or direction over, voting securities of the Company carrying the right to cast more than 50% of the votes attaching to all voting securities, and immediately following such an event, the directors of the Company immediately prior to such event do not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity immediately following such event;
 - (iii) the election at a meeting of the Company's shareholders of that number of Persons which would represent a majority of the board of directors of the Company, as directors of the Company who are not included as management nominees for election as directors proposed to the Company's shareholders by the Company;
 - (iv) the sale, lease or exchange of all or substantially all of the property of the Company other than in the ordinary course of business;
 - (v) such other transaction or series of transactions having substantially the same effect as any of the foregoing; or
 - (vi) such other transaction or series of transactions determined by the directors of the Company in their sole discretion to contemplate a Fundamental Transaction;
- (e) "Initial Issuance Date" means the date upon which the Series A Preferred Shares are initially issued by the Company.
- (f) "Liquidation Event" means, whether in a single transaction or series of transactions, the voluntary or involuntary liquidation, dissolution or winding up of the Company or such Subsidiaries the assets of which constitute all or substantially all of the assets of the business of the Company and its Subsidiaries, taken as a whole.
- (g) "Parent Entity" of a Person means an entity that, directly or indirectly, controls the applicable Person.

- (h) "Person" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, any other entity or a government or any department or agency thereof.
- (i) "Required Holders" means the holders of at least 50.1% of the outstanding Series A Preferred Shares.
- (j) "Securities" means, collectively, the Series A Preferred Shares and the Common Shares issuable upon conversion of the Series A Preferred Shares.
- (k) "Subsidiary" means any Person in which the Company, directly or indirectly, (i) owns a majority of the outstanding capital shares or holds a majority of equity or similar interest of such Person or (ii) controls or operates all or any part of the business, operations or administration of such Person.
- (l) "Successor Entity" means the Person (and, if applicable, the Parent Entity) formed by, resulting from or surviving any Fundamental Transaction or the Person (and, if applicable, the Parent Entity) with which such Fundamental Transaction shall have been entered into.
- (m) "Transaction Documents" means these terms and each of the other agreements and instruments entered into or delivered by the Company and the Holders in connection with the Fundamental Transaction contemplated thereby, all as may be amended from time to time in accordance with the terms hereof or thereof.

SCHEDULE "C"

NEW CLASS OF PREFERRED SHARES – SPECIAL RIGHT AND RESTRICTIONS FOR CLASS B PREFERRED SHARES

30. SPECIAL RIGHTS AND RESTRICTIONS OF CLASS B PREFERRED SHARES

The Class B preferred shares, as a class, shall have attached to them the following special rights and restrictions:

30.1 Voting

The holders of the Class B preferred shares shall have the right to receive notice of and attend any meeting of shareholders of the Company. However, the holders of any series of Class B preferred shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class B preferred shares or a series thereof) to vote at any meeting of shareholders of the Company, unless the board of directors of the Company shall determine otherwise, in which case voting rights shall only be provided in circumstances where the Company shall have failed to pay a certain number of dividends on such series of Class B preferred shares, which determination and number of dividends and any other terms in respect of such voting rights, shall be determined by the board of directors of the Company and set forth in the designations, rights, privileges, restrictions and conditions of such series of Class B preferred shares.

30.2 Priority

No special rights or restrictions attached to a series of Class B preferred shares shall confer upon that series a priority in respect of dividends or return of capital over any other series of Class B preferred shares then outstanding.

The Class B preferred shares shall be junior to the Class A preferred shares but shall have priority over the Common Shares and Class C preferred shares and any other class of shares of the Company ranking junior to the Class B preferred shares, and each series of Class B preferred shares shall rank on parity with every other series of Class B preferred shares, in each case with respect to the payments of dividends, the return of capital and the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

30.3 Other Preferences

Any series of the Class B preferred shares may also be given such other preferences, not inconsistent with the provisions hereof, over the Common Shares, the Class C preferred shares and over any other class of shares of the Company ranking junior to the Class B preferred shares as may be determined by the board of directors of the Company.

30.4 Dividends

The holders of the Class B preferred shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Company may from time to time determine. Any dividends declared on the Class B preferred shares

shall be preferential in respect of dividends declared on the Common Shares and Class C preferred shares but shall be junior to any dividends declared on the Class A preferred shares of Company.

30.5 Liquidation, Dissolution or Winding-Up

In the event of liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, and after payment to the holders of any Class A preferred shares of the amounts to which they are entitled as herein provided, the holders of the Class B preferred shares shall be entitled to receive any declared but unpaid dividends or amounts payable on a return of capital in respect of a series of Class B preferred shares and if such amounts are not paid in full, the Class B preferred shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class B preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Class B preferred shares of the amount so payable to such holders as herein provided, the holders of such series of Class B preferred shares shall not be entitled to share in any further distribution of the property or assets of the Company in the event of the liquidation, dissolution or winding up of the Company.

30.6 Issuable in Series

Before the first shares of a particular series of Class B preferred shares are issued, the board of directors of the Company shall fix the number of shares in such series and shall determine, subject to any limitations set forth in these provisions as more fully set forth below, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series including, without limitation, the rate and amount of any dividends to be declared (which may be cumulative or non-cumulative and variable or fixed), the method of calculating such dividends and whether such rate, amount or method of calculation shall be subject to change(s) or adjustment(s) in the future (and the terms of such change(s) or adjustment(s)), the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such dividends shall accrue, the terms of redemption and/or purchase for cancellation, including the redemption price and other terms and conditions of redemption and/or purchase for cancellation, the rights of retraction (if any) and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be provided to such holders in the future, the voting rights (if any, and subject to Article 30.1) and the conversion or exchange rights (if any) and restrictions on payment of dividends on any shares other than the Class B preferred shares or payment in respect of capital on any shares in the capital of the Company and any sinking fund, purchase fund or other provisions attaching thereto.

30.7 Modifications

The special rights and restrictions attached to the Class B preferred shares of the Company shall not be modified, abrogated, dealt with or affected unless the holders of the Class B preferred shares consent thereto by separate ordinary resolution. At any class meeting of Class B preferred shares, all the provisions of these Articles relating in any manner to general meetings or to the proceedings thereat, or to the rights of shareholders at or in connection therewith, shall mutatis mutandis apply, except that the necessary quorum shall be a person or persons collectively holding or representing by proxy not less than 5% of the then outstanding Class B preferred shares.

SCHEDULE "D"

NEW CLASS OF PREFERRED SHARES – SPECIAL RIGHT AND RESTRICTIONS FOR CLASS C PREFERRED SHARES

31. SPECIAL RIGHTS AND RESTRICTIONS OF CLASS C PREFERRED SHARES

The Class C preferred shares, as a class, shall have attached to them the following special rights and restrictions:

31.1 Voting

The holders of the Class C preferred shares shall have the right to receive notice of and attend any meeting of shareholders of the Company. However, the holders of any series of Class C preferred shares will not be entitled (except as otherwise provided by law and except for meetings of the holders of Class C preferred shares or a series thereof) to vote at any meeting of shareholders of the Company, unless the board of directors of the Company shall determine otherwise, in which case voting rights shall only be provided in circumstances where the Company shall have failed to pay a certain number of dividends on such series of Class C preferred shares, which determination and number of dividends and any other terms in respect of such voting rights, shall be determined by the board of directors of the Company and set forth in the designations, rights, privileges, restrictions and conditions of such series of Class C preferred shares.

31.2 Priority

No special rights or restrictions attached to a series of Class C preferred shares shall confer upon that series a priority in respect of dividends or return of capital over any other series of Class C preferred shares then outstanding.

The Class C preferred shares shall be junior to the Class A preferred shares and Class B preferred shares but shall have priority over the Common shares and any other class of shares of the Company ranking junior to the Class C preferred shares, and each series of Class C preferred shares shall rank on parity with every other series of Class C preferred shares, in each case with respect to the payments of dividends, the return of capital and the distribution of assets in the event of liquidation, dissolution or winding up of the Company, whether voluntary or involuntary.

31.3 Other Preferences

Any series of the Class C preferred shares may also be given such other preferences, not inconsistent with the provisions hereof, over the Common Shares and over any other class of shares of the Company ranking junior to the Class C preferred shares as may be determined by the board of directors of the Company.

31.4 Dividends

The holders of the Class C preferred shares shall be entitled to receive dividends and the Company shall pay dividends thereon, as and when declared by the board of directors of the Company out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Company may from time to time determine. Any dividends declared on the Class C preferred shares shall be preferential in respect of dividends declared on the Common Shares but shall be junior to any dividends declared on the Class A preferred shares and Class B preferred shares

31.5 Liquidation, Dissolution or Winding-Up

In the event of liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, and after payment to the holders of any Class A preferred shares and Class B preferred shares of the amounts to which they are entitled as

herein provided, the holders of the Class C preferred shares shall be entitled to receive any declared but unpaid dividends or amounts payable on a return of capital in respect of a series of Class C preferred shares and if such amounts are not paid in full, the Class C preferred shares of all series shall participate rateably in: (a) the amounts that would be payable on such shares if all such dividends were declared at or prior to such time and paid in full; and (b) the amounts that would be payable in respect of the return of capital as if all such amounts were paid in full; provided that if there are insufficient assets to satisfy all such claims, the claims of the holders of the Class C preferred shares with respect to repayment of capital shall first be paid and satisfied and any assets remaining shall be applied towards the payment and satisfaction of claims in respect of dividends. After payment to the holders of any series of Class C preferred shares of the amount so payable to such holders as herein provided, the holders of such series of Class C preferred shares shall not be entitled to share in any further distribution of the property or assets of the Company in the event of the liquidation, dissolution or winding up of the Company.

31.6 Issuable in Series

Before the first shares of a particular series of Class C preferred shares are issued, the board of directors of the Company shall fix the number of shares in such series and shall determine, subject to any limitations set forth in these provisions as more fully set forth below, the designation, rights, privileges, restrictions and conditions attaching to the shares of such series including, without limitation, the rate and amount of any dividends to be declared (which may be cumulative or non-cumulative and variable or fixed), the method of calculating such dividends and whether such rate, amount or method of calculation shall be subject to change(s) or adjustment(s) in the future (and the terms of such change(s) or adjustment(s)), the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such dividends shall accrue, the terms of redemption and/or purchase for cancellation, including the redemption price and other terms and conditions of redemption and/or purchase for cancellation, the rights of retraction (if any) and the prices and other terms and conditions of any rights of retraction and whether any additional rights of retraction may be provided to such holders in the future, the voting rights (if any, and subject to Article 31.1) and the conversion or exchange rights (if any) and restrictions on payment of dividends on any shares other than the Class C preferred shares or payment in respect of capital on any shares in the capital of the Company and any sinking fund, purchase fund or other provisions attaching thereto.

31.7 Modifications

The special rights and restrictions attached to the Class C preferred shares of the Company shall not be modified, abrogated, dealt with or affected unless the holders of the Class C preferred shares consent thereto by separate ordinary resolution. At any class meeting of Class C preferred shares, all the provisions of these Articles relating in any manner to general meetings or to the proceedings thereat, or to the rights of shareholders at or in connection therewith, shall mutatis mutandis apply, except that the necessary quorum shall be a person or persons collectively holding or representing by proxy not less than 5% of the then outstanding Class C preferred shares.