



NOTICE
and
INFORMATION CIRCULAR
for the
ANNUAL GENERAL AND SPECIAL MEETING
of
Canstar Resources Inc.

to be held on
April 15, 2025

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Canstar Resources Inc.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General and Special Meeting (the “**Meeting**”) of Canstar Resources Inc. (“**Canstar**” or the “**Company**”) will be held at Suite 1890 – 1075 West Georgia Street, Vancouver, BC V6E 3C9 or by teleconference at 1-877-407-8816, Participation Code: 18707, followed by the # sign, at 10:00 a.m. (PDT), on April 15, 2025, for the following purposes:

1. To receive and consider the audited Financial Statements of the Company for the year ended June 30, 2024, together with the auditor’s report thereon.
2. To fix the number of directors of the Company at five (5).
3. To elect the directors for the ensuing year.
4. To appoint an auditor for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.
5. To consider, and if deemed advisable, to pass, with or without variation, a resolution confirming the repeal of all existing by-laws of the Company and the enactment of a new by-law no. 1 of the Company as more particularly described in the accompanying management information circular dated March 3, 2025 (the “Information Circular”).
6. To consider, and if deemed advisable to adopt a resolution, approving and confirming an amendment to the Company’s 10% fixed Stock Option Plan, as more particularly described in the accompanying Information Circular.
7. To transact such other business as may properly come before the Meeting.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to and expressly made a part of this Notice.

The Company’s board of directors (the “**Board**”) has fixed February 26, 2025 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to receive such notice and to vote at the Meeting in the circumstances set out in the Information Circular.

The Company has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (the “**Notice-and-Access Provisions**”) for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to shareholders by allowing the Company to post the Information Circular, the Company’s 2024 audited financial statements and the related management’s discussion and analysis, and any additional materials (collectively, the “**Meeting Materials**”) online. Shareholders will still receive this Notice of Meeting, a form of proxy and request for financial information form and may choose to receive a paper copy of the Meeting Materials.

The Company will not use the procedure known as ‘stratification’ in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Information Circular to some shareholders with this notice package. In relation to the Meeting, all shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Meeting Materials.

PLEASE REVIEW THE INFORMATION CIRCULAR CAREFULLY IN FULL PRIOR TO VOTING IN RELATION TO THE RESOLUTIONS BEING PRESENTED, AS THE INFORMATION CIRCULAR HAS BEEN PREPARED TO HELP YOU MAKE AN INFORMED DECISION ON THE MATTERS. THE INFORMATION CIRCULAR IS AVAILABLE ON CANSTAR’S WEBSITE AT:

[HTTPS://WWW.CANSTARRESOURCES.COM/INVESTORS/AGM-MATERIALS/](https://www.canstarresources.com/investors/agm-materials/) AND UNDER THE COMPANY'S PROFILE ON SEDAR+ AT [WWW.SEDARPLUS.CA](http://www.sedarplus.ca). ANY SHAREHOLDER WHO WISHES TO RECEIVE A PAPER COPY OF THE MEETING MATERIALS (INCLUDING THE INFORMATION CIRCULAR) SHOULD CONTACT THE COMPANY AT SUITE 1890, 1075 WEST GEORGIA STREET, VANCOUVER, BC, V6E 3C9, BY FAX AT (604) 687-3141, BY TELEPHONE TOLL FREE AT 1-866-600-5869 OR BY EMAIL AT ANDREA@DENOVOGROUP.CA. IN ORDER TO RECEIVE A PAPER COPY IN TIME TO VOTE BEFORE THE MEETING, YOUR REQUEST SHOULD BE RECEIVED BY APRIL 4, 2025. SHAREHOLDERS MAY ALSO USE THE TOLL-FREE NUMBER NOTED ABOVE TO OBTAIN ADDITIONAL INFORMATION ABOUT THE NOTICE-AND-ACCESS PROVISIONS.

If you are a registered shareholder of the Company and are unable to attend the Meeting in person, please complete, date and execute the accompanying form of proxy and deposit it c/o TSX Trust Company ("TSX Trust"), at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, by facsimile at (416) 595-9593 or online at <https://www.voteproxyonline.com/pxlogin> not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting. Should you require any assistance, please contact TSX Trust via email at tsxtis@tmx.com or call toll-free 1-866-600-5869.

If you are a non-registered shareholder of the Company and received these materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan, or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

As always, the Company encourages shareholders to vote prior to the Meeting.

DATED at Toronto, Ontario, Canada as of March 3, 2025.

By Order of the Board of Directors of

CANSTAR RESOURCES INC.

"Juan Carlos Giron Jr."

Juan Carlos Giron Jr.
President & CEO

CANSTAR RESOURCES INC.

c/o Suite 1890, 1075 West Georgia Street,
Vancouver, British Columbia, Canada V6E 3C9
Telephone (604) 687-2038
Facsimile (604) 687-3141

INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This information circular ("**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Canstar Resources Inc. ("**Canstar**" or the "**Company**") for use at the annual general and special meeting of the shareholders (the "**Shareholders**") of the Company (the "**Meeting**") to be held at Suite 1890 – 1075 West Georgia Street, Vancouver, BC V6E 3C9 or by teleconference at 1-877-407-8816, Participation Code: 18707, followed by the # sign, on April 15, 2025 at 10:00 a.m. PDT and any adjournment thereof, for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of this solicitation will be borne by the Company. The Company has made arrangements for intermediaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by those intermediaries and the Company may reimburse the intermediaries for reasonable fees and disbursements incurred by them in so doing.

Notice of the Meeting was provided to the securities commissions in each jurisdiction where the Company is a reporting issuer under applicable securities laws.

In this Information Circular, references to the "**Canstar**", "**Company**", "**we**" and "**our**" refer to Canstar Resources Inc; "**Common Shares**" means common shares in the authorized share structure of the Company; "**Beneficial Shareholders**" means Shareholders who do not hold Common Shares in their own name and "**Intermediaries**" refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of the Beneficial Shareholders.

Date of Information Circular

Information contained in this Information Circular is given as at March 3, 2025 unless otherwise indicated.

GENERAL PROXY INFORMATION

Revocability of Proxies

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a proxy may revoke it by either:

- (a) executing a proxy bearing a later date; or
- (b) executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the Shareholder's authorized attorney in writing, or, if the Shareholder is a company, under its corporate seal by an officer or attorney duly authorized, and by depositing the Proxy bearing a later date with TSX Trust Company or at the registered address of the Company at Suite 1890, 1075 West Georgia Street, Vancouver, BC, V6E 3C9, 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 date that precedes any reconvening thereof, or to the chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (c) by the registered Shareholder 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.

Appointment of Proxyholders

A Shareholder entitled to vote at the Meeting may, by means of a proxy, appoint a proxyholder or one or more alternate proxyholders, who need not be Shareholders, to attend and act at the Meeting for the Shareholder on the Shareholder's behalf.

The individuals named in the accompanying form of proxy (the "**Proxy**") are directors and/or officers of the Company (the "**Management Designees**"). **If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting other than either of the Management Designees. 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.**

A proxy will not be valid unless the completed, signed and dated form of proxy is delivered to the office of **TSX Trust Company ("TSX Trust")**, at **301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1**, by facsimile at **(416) 595-9593** or online at **<https://www.voteproxyonline.com/pxlogin>** not less than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

Exercise of Discretion

The Management Designees named in the Proxy will vote or withhold from voting the shares represented thereby in accordance with the instructions of the Shareholder on any ballot that may be called for. The Proxy will confer discretionary authority on the nominees 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 properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the Management Designees will vote the Common Shares represented by the Proxy at their own discretion for the approval of such matter.

As of the date of this Information Circular, management of the Company knows of no amendment, variation or other matter that may come before the Meeting, but if any amendment, variation or other matter properly comes before the Meeting, each Management Designee intends to vote thereon in accordance with the Management Designee's best judgment.

Proxy Voting Options

If you are a registered Shareholder, you may elect to submit a proxy in order to vote whether or not you are able to attend the Meeting in person. In order to vote by mail, you must complete, date and sign the Proxy and return it to the Company's transfer agent, TSX Trust at 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, by facsimile at (416) 595-9593 or online at <https://www.voteproxyonline.com/pxlogin> at any time up to and including 10:00 a.m. (PDT) on April 11, 2025.

Notice-and-Access

Notice-and-Access is a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of its securities by posting such materials on a non-SEDAR+ website (usually the reporting issuer's website and sometimes the transfer agent's website) rather than delivering such materials by mail. The notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (the "Notice-and-Access Provisions") can be used to deliver materials for both special and general meetings.

The use of the Notice-and-Access Provisions is intended to reduce paper waste and mailing costs to the issuer. In order for the Company to utilize the Notice-and-Access Provisions to deliver proxy-related materials, the Company must send a notice to Shareholders indicating that the proxy-related materials for the Meeting have been posted electronically on a website that is not SEDAR+ and explaining how a Shareholder can access them or obtain a paper copy of those materials. Upon request, beneficial owners are entitled to delivery of a paper copy of the information circular at the reporting issuer's expense. This Information Circular and other materials related to the Meeting have been posted in full on the Company's Meeting website at <https://www.canstarresources.com/investors/agm-materials/> and under the Company's SEDAR+ profile at www.sedarplus.ca.

In order to use the Notice-and-Access Provisions, a reporting issuer must set the record date for the meeting at least 40 days prior to the meeting to ensure there is sufficient time for the materials to be posted on the applicable website and the notice of meeting and form of proxy to be delivered to Shareholders. The requirements for the notice of meeting are that the Company shall provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of this Information Circular, and explain the Notice-and-Access process. The Notice of Meeting, containing this information, has been delivered to Shareholders by the Company, along with the applicable voting document (a form of proxy in the case of registered Shareholders or a voting instruction form in the case of non-registered Shareholders).

The Company will not rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the information circular to some, but not all, of its shareholders, along with the notice of meeting. In relation to the Meeting, all Shareholders will receive the documentation required under the Notice-and-Access Provisions and all documents required to vote at the Meeting. No Shareholder will receive a paper copy of this Information Circular from the Company or any intermediary unless such Shareholder specifically requests same.

The Company will be delivering proxy-related materials to NOBOs and OBOs indirectly through the use of intermediaries. The management of the Company does not intend to pay for Intermediaries to send OBOs the meeting materials, and that in the case of an OBO, the OBO will not receive the meeting materials unless the OBO's Intermediary assumes the cost of delivery.

Any Shareholder who wishes to receive a paper copy of this Information Circular may contact the Company in writing by mail at: Suite 1890, 1075 West Georgia Street, Vancouver, BC, V6E 3C9; by fax at (604) 687-3141, by telephone at 1-888-787-0888 or by email at andrea@denovogroup.ca

In order to ensure that a paper copy of this Information Circular can be delivered to a requesting Shareholder in time for such Shareholder to review this Information Circular and return a proxy or voting instruction form so that it is received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment of the Meeting, it is strongly suggested that Shareholder ensure their request is received no later than April 4, 2025. All Shareholders may call toll free at 1-888-787-0888 in order to obtain additional information about the Notice-and-Access Provisions or to obtain a paper copy of this Information Circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Beneficial Shareholders should note that only Proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting.

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 not 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 the Shareholder's broker or an agent of that broker. In the United States, the vast majority of such shares are registered 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), and in Canada 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).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting material. Every intermediary has its own mailing procedures and provides specific return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting.

If you are a Beneficial Shareholder, the form of proxy supplied to you by your broker (or its agent) is similar to the form of Proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications Solutions Canada ("**Broadridge**") in the United States and in Canada. Broadridge mails a voting instruction form in lieu of a proxy provided by the Company. The voting instruction form will name the Management Designees to represent you at the Meeting. You have the right to appoint a person (who need not be a Shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. It must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although, as a Beneficial Shareholder, you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of your broker), you may attend at the Meeting as proxyholder for your broker and vote the Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker or have a person designated by you to do so, you should enter our own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker (or your broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Alternatively, you may request in writing that your broker send you a legal Proxy which would enable you, or a person designed by you, to attend at the Meeting and vote your Common Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or executive officers of the Company, nor any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than as disclosed herein.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the “**Board**”) of the Company has fixed February 26, 2025 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares without par value. As of the Record Date, the Company had 148,841,387 Common Shares outstanding, each Common Share carrying the right to one vote. The Company has no other classes of voting securities.

To the knowledge of the directors and executive officers of the Company, only the following Shareholder owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the outstanding voting rights of the Company.

Shareholder Name	Number of Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾⁽³⁾	Percentage of Outstanding Shares
CDS & Co. ⁽¹⁾	119,612,471 ⁽¹⁾	80.36% ⁽⁴⁾
Eric Sprott ⁽²⁾	27,863,339 ⁽²⁾	19.25% ⁽⁴⁾

Notes:

- (1) The holdings represent registered and beneficial ownership, and for the purposes hereof, beneficial ownership is presumed where sole voting and dispositive power is declared without disclaiming ownership.
- (2) All such Common shares are held by 2176423 Ontario Ltd., of which Mr. Sprott is the sole beneficial shareholder.
- (3) This information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the Shareholder listed above.
- (4) Numbers may total greater than 100% as reporting Shareholders may hold some and/or all of their position(s) within CDS & Co. designated accounts.

FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal years ended June 30, 2023 and June 30, 2024, the reports of the auditor thereon and the related management discussion and analysis will be placed before the Meeting. Additional information may be obtained upon request from the Company at Suite 1890, 1075 West Georgia Street, Vancouver, BC, V6E 3C9, telephone number +1 (604) 687-2038. These documents and additional information are also available via the Internet at SEDAR+ (www.sedarplus.ca).

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the 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.

Recommendation of the Board

The Board unanimously recommends that Shareholders vote in favour of all resolutions.

ELECTION OF DIRECTORS

Management proposes to fix the number of directors of the Company at five (5) and to nominate the persons listed below for election as directors.

Unless otherwise directed, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the resolution setting the number of directors to be elected at the meeting at five (5) directors.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario) or the Articles of the Company, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

Management does not contemplate that any of the nominees will be unable to serve as a director. In the event that prior to the Meeting any vacancies occur in the slate of nominees herein listed, it is intended that discretionary authority shall be exercised by the person named in the proxy as nominee to vote the Common Shares represented by proxy for the election of any other person or persons as directors.

The following table sets out the names of the management nominees; their positions and offices in the Company; principal occupations; the period of time that they have been directors of the Company; and the number of Common Shares of the Company which each beneficially owns or over which control or direction is exercised:

Nominee Position with the Company and Province/State and Country of Residence	Principal Business or Occupation ⁽¹⁾	Director of the Company Since	Committee Membership	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽²⁾
James Clare, Director Ontario, Canada	Partner at Bennett Jones LLP	2021	Audit Committee (Chair); and Nominating and Corporate Governance Committee (Chair)	142,857 Common Shares (Direct) 200,000 Common Shares (Indirect) ⁽⁴⁾

Nominee Position with the Company and Province/State and Country of Residence	Principal Business or Occupation ⁽¹⁾	Director of the Company Since	Committee Membership	Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽²⁾
Jacqueline Allison, Chairperson & Director <i>Ontario, Canada</i>	Principal Consultant at Allison Consulting; director of Laramide Resources Ltd. and director of Vejon Health Limited	2021	Audit Committee Compensation Committee; and Health, Safety, Environment and Community Committee	158,000 Common shares (Direct)
Neil Burns, Director <i>British Columbia, Canada</i>	Vice President of Technical Services at Wheaton Precious Metals	2021	Compensation Committee; and Health, Safety, Environment and Community Committee (Chair)	263,000 Common shares (Direct)
J. Paul Austin III, Director <i>Georgia, USA</i>	Manager, Austin & Company LLC	2024	Compensation Committee (Chair); and Nominating and Corporate Governance Committee	12,802,000 Common shares (Indirect) ⁽³⁾
Nyla Beth Gawel Director Nominee <i>Maryland, USA</i>	See "Details of Directors Not Previously Elected by a Shareholder Vote" below.	Director Nominee	-	Nil

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years unless otherwise indicated.
- (2) The number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is based on information furnished by

- (3) Of this amount, 8,200,000 Common Shares are held on an indirect basis by Austin & Company LLC and 4,602,000 Common Shares are held on an indirect basis by BQS Systematic Equities LP., both of which are private companies to which Mr. Austin has control or direction over.
- (4) These Common Shares are held by James A. T. Clare Professional Corporation.

DETAILS OF DIRECTORS NOT PREVIOUSLY ELECTED BY A SHAREHOLDER VOTE

Nyla Beth Gawel

Nyla Beth Gawel is a strategic planning and execution expert with over 20 years of corporate executive and U.S. public sector experience. She is the founder of NBG Strategy Consulting LLC, advising startups and Fortune-ranked corporations on strategic management, market expansion, and operational effectiveness. Previously, she held senior leadership roles at Booz Allen Hamilton (NYSE: BAH) as Vice President, SAIC (NYSE: SAIC) as Senior Vice President of Corporate Strategy, and Verizon (NYSE: VZ) as Director of Public Sector Strategy. Her expertise spans corporate strategy, M&A, investor relations, and growth in highly regulated industries, including telecommunications, aerospace, and defense.

Nyla Beth Gawel serves on the boards of the Children's National Hospital Founders Auxiliary Board, the Red Cross of Northern Virginia (Vice President), and National Presbyterian Church (Elder). She holds a B.S. in Foreign Service from Georgetown University and management certificates from Yale and Duke. She resides in Bethesda, MD, with her family and rescue dogs.

Unless otherwise directed, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the election of each of the nominees specified above as directors of the Company for the ensuing year.

Except as disclosed below, to the knowledge of the Company, no proposed director is, or has, within the 10 years before the date of this Information Circular, been a director, chief executive officer or chief financial officer of any company that,

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (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.

To the knowledge of the Company, no proposed director of the Company was, as at the date of the Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including Canstar.) 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.

To the knowledge of the Company, no proposed director of the Company has, within the 10 years before the date of the 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.

To the knowledge of the Company, no proposed director of the Company has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a security regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or (ii) any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for that proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

Definitions

“CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“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;

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

- (a) the CEO;
- (b) the 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 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

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

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock; and

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

Named Executive Officer and Director Compensation

The following table summarizes the compensation paid to the directors and NEO's of Canstar for the last two completed financial years:

Name and Position	Year ⁽¹⁾	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees ⁽²⁾ (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Juan Carlos Giron Jr. ⁽³⁾ President & CEO	2024	82,997	-	-	-	-	82,997
	2023	-	-	-	-	-	-
Robert Bruggeman ⁽⁴⁾⁽⁵⁾ Former CEO, President & Director	2024	101,437	-	-	-	-	101,437
	2023	180,000	-	-	-	32,940	212,940
William Palmer Upshur ⁽⁶⁾ CFO, Corporate Secretary & Executive Vice President	2024	76,777	-	-	-	-	76,777
	2023	-	-	-	-	-	-
John E. Hurley ⁽⁷⁾ Former CFO	2024	-	-	-	-	-	-
	2023	-	-	-	-	8,235	8,235
Jacqueline Allision Director	2024	-	-	-	-	-	-
	2023	-	-	-	-	10,980	10,980
Neil Burns Director	2024	-	-	-	-	-	-
	2023	-	-	-	-	9,608	9,608
James Clare Director	2024	-	-	-	-	-	-
	2023	-	-	-	-	9,608	9,608
Paul Austin Director	2024	-	-	-	-	-	-
	2023	-	-	-	-	-	-

Notes:

- (1) Fiscal year ended June 30th.
(2) The Company did not pay Committee or Meeting fees to its directors for the fiscal years ended June 30, 2024 and 2023.
(3) Juan Carlos Giron Jr. was appointed President and CEO of the Company on January 19, 2024.
(4) Robert Bruggeman was paid \$180,000 in his position as CEO of the Company.
(5) Robert Bruggeman resigned as CEO and President of the Company on January 19, 2024.
(6) William Upshur was appointed CFO and Corporate Secretary on January 19, 2024, and Executive Vice President on March 1, 2024. Mr. Upshur was paid this amount in his position as CFO.
(7) John E. Hurley resigned as CFO of the Company on December 23, 2027.

Compensation Securities

Stock Options and Other Compensation Securities

The following table sets forth stock options pursuant to the Company's Stock Option Plan that were outstanding to NEOs and directors of the Company during the financial year ended June 30, 2024.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price \$	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾
James Claire	200,000	\$0.28	October 14, 2025	Nil
	175,000	\$0.06	March 24, 2028	Nil
Neil Burns	200,000	\$0.28	October 14, 2025	Nil
	175,000	\$0.06	March 24, 2028	Nil
Jacqueline Allison	300,000	\$0.28	October 14, 2025	Nil
	200,000	\$0.06	March 24, 2028	Nil
Rob Bruggeman	600,000	\$0.06	March 24, 2028	Nil

Notes:

- (1) “In-the-Money Options” means the excess of the market value of the Company’s shares on June 30, 2024 over the exercise price of the options. The market price for the Company’s common shares on June 30, 2024 was \$0.025, and at the date of this Circular the market price was \$0.055.

Other than as set forth in the foregoing table, the named executive officers and directors have not received, during the most recently completed financial year, compensation pursuant to any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments, any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors, or any arrangement for the compensation of directors for services as consultants or experts.

Stock Options and Other Compensation Securities

There was no compensation securities granted or issued to named executive officers or directors during the year ended June 30, 2024.

Stock Option Plans and Other Incentive Plans

The Company implemented a 10% fixed stock option plan (the “Fixed Plan”), under which the total number of Common Shares issuable upon the exercise of stock options is capped at 10% of the issued and outstanding Common Shares as of November 29, 2021, the date the Fixed Plan was established. A total of 11,025,366 Common Shares are available under the Fixed Plan, of which 8,944,000 stock options have been issued, and 2,081,366 stock options remain reserved and available for issuance.

The purpose of the Fixed Plan is to provide certain directors, officers, key employees, and other individuals who provide services to the Company and its subsidiaries with the opportunity to purchase Common Shares of the Company, allowing them to benefit from any appreciation in the value of those shares. This structure aims to create a stronger incentive for these individuals to contribute to the Company’s future success and prosperity, ultimately enhancing the value of the Common Shares for the benefit of all Shareholders. Additionally, it strengthens the Company’s ability to attract and retain skilled and motivated talent.

Options granted under the Fixed Plan will have a maximum term of 10 years and will be granted at an option price and on terms determined by the directors, as necessary to fulfill the objectives of the Fixed Plan and in compliance with regulatory policies. The option price may be set at a discount to the market price, provided that such discount does not exceed the limits set by any stock exchange where the Company’s Common Shares are listed for trading. Vesting of options granted under the Fixed Plan will be determined by the Board, with no vesting requirements applying except as mandated by TSX Venture Exchange policies for individuals providing investor relations services to the Company. All options will be non-assignable and non-transferable.

The following restrictions on issuance of options are applicable under the Fixed Plan:

- (a) no Participant (as defined in the Fixed Plan) can be granted an option if that option would result in the total number of options exceeding 5% of the Common Shares, then outstanding, unless the Company has obtained disinterested shareholder approval to do so;
- (b) the aggregate number of options granted to Investor Relations Service Providers (as defined in TSXV policies) in any 12-month period cannot exceed 2% of the Common Shares then outstanding;
- (c) the aggregate number of options granted to any one consultant in any 12-month period cannot exceed 2% of the Common Share then outstanding, calculated at the time of grant;
- (d) the aggregate number of options granted to insiders of the Company (as a group) within any 12-month period cannot exceed 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is obtained; and

- (e) the aggregate number of options granted to insiders of the Company (as a group) at any point in time shall not exceed 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is obtained.

Common Shares, when fully paid for by a participant and issued upon exercise of options, are not included in the calculation of Common Shares allocated to or within the Plan. Should a participant cease to be eligible due to the loss of corporate office (being that of an officer or director) or employment, the option shall cease for varying reasonable periods as determined by management at the time of grant. Loss of eligibility for consultants is regulated by specific rules imposed by the directors when the option is granted to the appropriate consultant. The Fixed Plan also provides that estates of deceased participants can exercise their options for a period not exceeding one year following death.

Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

Subject to Shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Fixed Plan or may terminate the Fixed Plan at any time provided that no such action may in any manner adversely affect the rights under any options earlier granted to a participant under the Fixed Plan without the consent of that participant; and the Company must receive TSX-V acceptance of any amendment to the Fixed Plan.

The decision to grant options is made by the Board as a whole, and a grant is approved by directors' resolutions or at a meeting of the Board. Decisions address vesting, maximum term, number of options, exercise price and method of exercise.

Employment, Consulting, Management and Service Agreements

The Company entered into a consulting agreement with Will Upshur, its Chief Financial Officer, Corporate Secretary and Executive Vice President, on January 23, 2024 (the "**Upshur Agreement**"), under which Mr. Upshur has been retained to provide CFO services. The Upshur Agreement has an initial term of one year, after which it will automatically renew on a monthly basis unless terminated by either party with 30 days' written notice, in accordance with the provisions set forth in the agreement. Pursuant to the agreement, the Company will pay Mr. Upshur an annual base consulting fee of USD \$120,000 (the "**Base Fee**"), which will be paid in equal monthly installments of USD \$10,000. In addition to the Base Fee, the Company will reimburse Mr. Upshur for all reasonable expenses incurred in connection with his services, and he will be eligible to participate in the Company's Stock Option Plan.

The Company entered into a consulting agreement with Juan Carlos Giron, Jr. its President and Chief Executive Officer, on January 23, 2024 (the "**Giron Agreement**"), under which Mr. Giron has been retained to provide CEO services. The Giron Agreement has an initial term of one year, after which it will automatically renew on a monthly basis unless terminated by either party with 30 days' written notice, in accordance with the provisions set forth in the agreement. Pursuant to the agreement, the Company will pay Mr. Giron an annual base consulting fee of USD \$120,000 (the "**Base Fee**"), which will be paid in equal monthly installments of USD \$10,000. In addition to the Base Fee, the Company will reimburse Mr. Giron for all reasonable expenses incurred in connection with his services, and he will also be eligible to participate in the Company's Stock Option Plan.

The Company entered into a consulting agreement with Paul Teniere, its Senior Vice President Exploration on March 1, 2024 (the "**Teniere Agreement**"), under which Mr. Teniere has been retained to provide technical consulting services. The Teniere has an initial term of one year, after which it will automatically renew on a monthly basis unless terminated by either party with 30 days' written notice, in accordance with the provisions set forth in the agreement. Pursuant to the agreement, the Company is required to pay Mr. Teniere an annual base consulting fee of CAD\$108,000 (the "**Base Fee**"), which is to be paid in equal monthly installments of CAD\$9,000. In addition to the Base Fee, the Company will reimburse Mr. Teniere for all reasonable expenses incurred in connection with his services, and he will be eligible to participate in the Company's Stock Option Plan. The Teniere Agreement has not been renewed and terminated March 1, 2025.

Oversight and Description of Named Executive Officer and Director Compensation

The Board is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the executive officers of the Company. The Company at this time does not have a formal compensation program with specific performance goals; however, the performance of each executive is considered along with Canstar's ability to pay compensation and its results of operation for the period. The Company does not use a peer group to determine compensation. The Company presently has two name executive officers (NEO's), Juan Carlos Giron Jr. and Will Upshur. Mr. Giron has served as the President and Chief Executive Officer since January 19, 2024, and Mr. Upshur has served as the Chief Financial Officer and Corporate Secretary since January 19, 2024 and Executive Vice President since March 1, 2024.

The Company's executive compensation is currently comprised of a base consulting fee. Base fees are intended to provide current compensation and a short-term incentive for the NEO to meet the Company's goals, as well as to remain competitive with the industry. Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the NEO.

Compensation is designed to achieve the following key objectives:

- (a) to support our overall business strategy and objectives;
- (b) to provide market competitive compensation that is substantially performance-based;
- (c) to provide incentives that encourage superior corporate performance and retention of highly skilled and talented employees; and
- (d) to align executive compensation with corporate performance and therefore Shareholders' interests.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person who is, or at any time during the two most recently completed financial years was, a director or executive officer of the Company, a proposed nominee for election as a director of the Company, or an associate of any of the foregoing individuals, has been indebted to the Company at any time since the commencement of the Company's most recently completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An "informed person" means: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, Common Shares of the Company or who exercises control or direction of Common Shares of the Company, or a combination of both carrying more than ten percent of the voting rights attached to the outstanding Common Shares of the Company (an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of Common Shares of the Company where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all Shareholders.

Since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 Audit Committees of the CSA (“**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 (the “**Audit Committee**”) and its relationship with its independent auditors, as set forth in the following.

Audit Committee Charter

The Company has adopted an audit committee charter (the “**Charter**”) of the Audit Committee of the Board which is attached as Schedule “A” to this Circular.

Composition of the Audit Committee

As of the date of this Circular, the following are the members of the Audit Committee:

Audit Committee Members		
Robert Bruggeman	Not Independent	Financially literate
James Clare	Independent	Financially literate
Jacqueline Allison	Independent	Financially literate

Relevant Education and Experience

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

Rob Bruggeman

Rob Bruggeman has held consulting and senior executive and board roles in the mineral exploration sector since 2012. Early in his career, he worked as a Corporate Strategist for AT&T Canada, where he was involved in corporate development and M&A transactions of over \$4 billion. He has a strong equity research and investment background, having worked as a sell-side Canadian small cap analyst from 2001 to 2005, as Vice President, (Proprietary) Trading Strategy & Research, with TD Securities from 2005 to 2010, and head of the Sales & Trading desk of a boutique Toronto brokerage firm from 2011 to 2012. Mr. Bruggeman holds a Bachelor of Engineering & Management from McMaster University and a Master of Business Administration degree from the Schulich School of Business at York University. Mr. Bruggeman is also a CFA charterholder.

James Clare

James Clare is a partner at Bennett Jones LLP, one of Canada’s leading corporate law firms. He is a corporate and securities lawyer with extensive experience in the mining sector both domestically and internationally. Mr. Clare also currently acts as a director of PJX Resources Inc., and Riverside Resources Inc.

Jacqueline Allison

Jacqueline Allison brings more than 20 years of Canadian and international experience at major institutions in the fields of mineral economics, financial analysis, investment management and investor relations. Ms. Allison has been Principal Consultant at Allison Consulting, a business consulting firm, since June 2020. Prior to that, she was VP, Investor Relations and Strategic Analysis for the Augusta Group from January 2018 to December 2019. Former senior executive at Dominion Diamond Corp. and Hudbay Minerals Inc. Also, a Corporate Director for both Vejon Health Limited in Doncaster, UK, as well as Laramide Resources Ltd. in Toronto since November 2021. Ms. Allison is the Chair of the Management and Economics Society of the Canadian Institute of Mining, Metallurgy and Petroleum (CIM). Ms. Allison holds an MSc (Applied) in Mineral Exploration and a PhD in Mineral Economics from McGill University and is a Professional Geoscientist (Ontario), Chartered Financial Analyst (CFA) and Fellow of CIM (FCIM), and has achieved the CDI.D designation.

Audit Committee Oversight

Since the commencement of Canstar's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Charter.

Reliance on Certain Exemptions

At no time since the commencement of our most recently completed financial year, have we relied on the exemption in sections 2.4 (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.

Exemption in Section 6.1 of NI 52-110

Canstar is not 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).

External Auditor Service Fees

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

The aggregate fees billed by the Auditor in the last two fiscal years, by category, are as set out in the table below.

Financial Year Ended June 30	Audit Fees (\$) ⁽¹⁾	Audit-Related Fees (\$) ⁽²⁾	Tax Fees (\$) ⁽³⁾	All Other Fees (\$) ⁽⁴⁾
2024	34,315	Nil	Nil	Nil
2023	46,010	Nil	Nil	Nil

Notes:

- (1) "Audit fees" include aggregate fees billed by the Company's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit fees" above. The services provided 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 the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.
- (4) "All other fees" include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above.

CORPORATE GOVERNANCE

National Instrument 58-101 Disclosure of Corporate Governance Practices (“**NI 58-101**”) requires issuers to disclose the corporate governance practices that they have adopted according to guidance provided pursuant to National Policy 58-201 Corporate Governance Guidelines (“**NP 58-201**”).

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the “**CSA**”) have adopted NP 58-201, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers. In addition, the CSA have implemented NI 58-101, which prescribes certain disclosure by reporting issuers of their corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

All of the directors except for Robert Bruggeman are considered to be independent members of the Board of Directors of the Company. The Board facilitates its independent supervision over management by choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are, however, able to meet at any time without any the non-independent directors being present. Further supervision is performed through the Audit Committee who may meet with the Company’s auditors without management being in attendance. Robert Bruggeman was a senior officer of the Company in the previous three years and therefore is considered not to be independent.

Directorships

The current directors of Canstar (and each of the individuals to be nominated for election as a director of Canstar at the Meeting, if any) may serve as a director or officer of one or more other reporting issuers as at the date of this Notice of Meeting and Circular. However, our directors are required by law to act honestly and in good faith with a view to our best interests and to disclose any interests which they may have in any of our projects or opportunities. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not we will participate in any project or opportunity, that director will primarily consider the degree of risk to which we may be exposed and our financial position at that time.

To the best of our knowledge, there are no known existing or potential conflicts of interest among us and our promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

The participation of the directors in other reporting issuers as at the date of this Information Circular is as follows:

Name of Director	Names of Other Reporting Issuer(s) of which the Director is also a director of
Jacqueline Allison	Laramide Resources Ltd. (TSX)
Robert Bruggeman	AbraSilver Resources Corp. (TSX-V)

Name of Director	Names of Other Reporting Issuer(s) of which the Director is also a director of
James Clare	PJX Resources Inc. (TSX-V) Riverside Resources Inc. (TSX)

Compensation

The Company has a Corporate Governance and Compensation Committee (the “CGCC”) with a mandate including determination of (i) remuneration to directors and officers, (ii) allocation of incentive stock options, and (iii) monitor over-all Board activities to ensure compliance with NI 58-101. The CGCC members are Robert Bruggeman (Chair), James Clare and J. Paul Austin III. See “Election of Directors” for details on the member of the CGCC.

Orientation and Continuing Education

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company’s operations and on director responsibilities.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business. In addition, management of the Company makes itself available for discussions with all Board members.

The Board does not provide any continuing education but does encourage directors to individually and as a group keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills as required to meet their obligations as directors. In addition, the Board undertakes strategic planning sessions with management.

Ethical Business Conduct

Although the Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law of Canada, the Board adopted a Code of Business Conduct and Ethics in 2022, which sets forth the fundamental principles and standards of behavior expected of all directors, officers, and employees within the Company. This Code is designed to promote ethical decision-making, integrity, and transparency in all business dealings. It outlines guidelines for compliance with legal and regulatory requirements, conflicts of interest, fair competition, confidentiality, and respect for others. The Code serves as a foundation for fostering a positive corporate culture, ensuring that the Company’s actions align with its values and commitment to ethical business practices. Regular training and ongoing communication are provided to reinforce these standards, encouraging accountability and responsible behavior across all levels of the organization.

Nomination of Directors

The Nominating Committee (the “NCGC”) with a mandate including determination of (i) remuneration to directors and officers, (ii) allocation of incentive stock options, and (iii) monitor over-all Board activities to ensure compliance with NI 58-101. The CGCC members are James Clare (Chair), Robert Bruggeman and J. Paul Austin III. See “Election of Directors”.

The Board considers its size each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience.

Compensation

The Board is not compensated for acting as directors, except for being granted incentive stock options pursuant to the policies of the TSX Venture Exchange and the Fixed Plan. The Board acts as a whole to determine and approve the final stock grants and compensation amounts.

Other Board Committees

The Company has a Health, Safety, Environment, and Community Committee ("HSECC") to oversee and ensure the effective management of key areas impacting the organization's operations. The HSECC is responsible for developing, implementing, and reviewing policies and strategies that safeguard the health and safety of employees, protect the environment, and foster positive relationships with local communities. Its functions include monitoring compliance with regulatory requirements, promoting sustainable practices, managing risks related to health, safety, and environmental impacts, and driving community engagement initiatives. Through its work, the HSECC plays a critical role in maintaining a responsible and ethical approach to the Company's operations, aligning business objectives with broader societal well-being.

Assessments

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees. The Board is currently responsible for assessing its own effectiveness, the effectiveness of individual directors and the effectiveness of the Audit Committee.

The Audit Committee provides an open avenue of communication between management, the Company's independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Company's financial reporting and disclosure practices;
- (b) the Company's compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company's independent auditors.

The Audit Committee also performs any other activities consistent with the Audit Committee Charter, the Company's Articles and governing laws as the Audit Committee or Board deems necessary or appropriate. See "*Audit Committee Disclosure*".

APPOINTMENT OF AUDITOR

Shareholders are being asked to approve an ordinary resolution appointing MNP LLP, Chartered Professional Accountants, as auditor of the Company to hold office until the close of the next annual general meeting of the Shareholders, at a remuneration to be fixed by the board of directors. In order to be effective, the ordinary resolution requires the approval of the majority of the votes cast at the Meeting in respect of the resolution.

Management recommends that Shareholders vote for the approval of the re-appointment of MNP LLP, Chartered Professional Accountants, as the auditor for the Company for the ensuing year at a remuneration to be fixed by the Board. Unless otherwise directed, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy FOR the appointment of MNP LLP, Chartered Professional Accountants as auditors of the Company at remuneration to be fixed by the Board.

MANAGEMENT CONTRACTS

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

PARTICULARS OF MATTERS TO BE ACTED UPON

ADOPTION OF NEW GENERAL BY-LAW NO. 1

The Company has recently undertaken a review of the old by-laws of the Company (the "Old By-Laws"), particularly in light of evolving corporate governance best practices, and determined that it would be in the best

interests of the Company to implement a new by-law no. 1 (the "New By-Law No. 1") in order to incorporate such best practices and implement certain other desirable changes to update the Old By-Laws.

The New By-Law No. 1 is standard in its form and governs all aspects of the business and affairs of the Company, such as the establishment of a quorum for meetings of directors and shareholders, the conduct of such meetings, signing authorities, the appointment of officers, the description of the officers' duties, the establishment of committees of the board of directors, the removal of Canadian and Ontario residency requirements, provisions to allow meetings by electronic means, advance notice provisions and similar matters.

A copy of the New By-Law No. 1 is attached hereto as Schedule B.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, pass, with or without variation, the following resolution authorizing the repeal of the Old By-Laws and the replacement of the Old By-Laws with the New By-Law No. 1 (the "By-Law No. 1 Resolution"):

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

1. any existing by-laws of the Company be repealed and by-law no. 1, being a general by-law in the form attached to the management information circular dated March 3, 2025, of the Company as Schedule B, be and is hereby confirmed as a by-law of the Company; and
2. any director or officer of the Company be and he or she is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

In order to pass the By-Law No. 1 Resolution, at least a majority of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the By-Law No. 1 Resolution. If the By-Law No. 1 Resolution does not receive the requisite shareholder approval, the Old By-Laws will continue to be in effect.

The Board recommends that shareholders vote in favour of the By-Law No. 1 Resolution to approve the repeal of the Old By-Laws as set out above.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE BY-LAW NO. 1 RESOLUTION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

APPROVAL OF AMENDMENT TO THE STOCK OPTION PLAN

On February 26, 2025, the board of directors of the Company approved a proposed amendment to the Company's Fixed Plan to increase the maximum number of Common Shares that may be reserved for the grant of stock options under the Fixed Plan from 11,025,366 to 14,884,138 Common Shares.

The Company implemented a 10% fixed stock option plan (the "Fixed Plan"), under which the total number of Common Shares issuable upon the exercise of stock options is capped at 10% of the issued and outstanding Common Shares as of November 29, 2021, the date the Fixed Plan was established.

The purpose of the Fixed Plan is to provide certain directors, officers, key employees, and other individuals who provide services to the Company and its subsidiaries with the opportunity to purchase Common Shares of the Company, allowing them to benefit from any appreciation in the value of those shares. This structure aims to create a stronger incentive for these individuals to contribute to the Company's future success and prosperity, ultimately enhancing the value of the Common Shares for the benefit of all Shareholders. Additionally, it strengthens the Company's ability to attract and retain skilled and motivated talent.

The Fixed Plan is administered by the Board of Directors of the Company, a copy of which is attached as Schedule “C” to this Information Circular. A summary of the material provisions of the Fixed Plan can be found under the heading “Stock Option Plans and Other Incentive Plans”.

Accordingly, at the Meeting Shareholders will be asked to consider and, if deemed advisable, pass with or without variation, the following ordinary resolution in the following form:

“BE IT RESOLVED THAT:

- (1) the Fixed Plan, substantially in the form attached at Schedule “C” to the management information circular of the Company dated March 3, 2025, be and the same is hereby ratified, confirmed and approved;
- (2) the maximum number of stock options of the Company which may be issued under the Fixed Plan shall be amended to 14,884,138, such number representing ten (10) percent of the issued and outstanding Common Shares on March 3, 2025;
- (3) the issuance of up to the maximum number of 14,884,138 Common Shares of the Company (the “Common Shares”) issuable upon the exercise of stock options under the Fixed Plan is hereby authorized and approved;
- (4) any director or officer be and is hereby authorized to amend the Fixed Plan of the Company should such amendments be required by applicable regulatory authorities; and
- (5) any director or officer of the Company be and is hereby authorized and directed to do and perform all such acts and things and to execute and deliver or cause to be delivered, for, in the name of and on behalf of the Company (whether under the seal of the Company or otherwise) all such agreements, instruments and other documents as in such individual's opinion may be necessary or desirable to perform the terms of this resolution.”.

The resolution must be approved by a simple majority approval of the votes cast at the Meeting by the holders of Common Shares. If the amendment to the Fixed Plan is not approved by the Shareholders, the Company may need to consider other methods of compensating and providing incentives to directors, officers, employees and consultants.

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

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 Designated Persons named in the enclosed form of proxy intend to vote on any poll in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

Other Matters

As of the date of this Information Circular, management knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

Additional Information

Additional information relating to the Company is available through the Company's profile on the SEDAR+ website at www.sedarplus.ca. Shareholders may contact the Company at (604) 687-2038 to request copies of the Company's financial statements and MD&A.

Financial information on the Company is provided in the Company's audited and comparative financial statements and management discussion and analysis for the most recently completed financial year ended June 30, 2024, which are filed on the SEDAR+ website at www.sedarplus.ca.

APPROVAL AND CERTIFICATION

The contents of this Information Circular have been approved and this mailing has been authorized by the Directors of the Company.

Where information contained in this Information Circular rests specifically within the knowledge of a person other than the Company, the Company has relied upon information furnished by such person.

Dated at Toronto, Ontario this 5th day of March, 2025.

BY ORDER OF THE BOARD OF DIRECTORS

"Juan Carlos Giron Jr."

**Juan Carlos Giron Jr.
President & CEO**

Schedule A
Audit Committee Charter

APPENDIX “A”

CANSTAR RESOURCES INC.

AUDIT COMMITTEE CHARTER

This charter (the “**Charter**”) sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Canstar Resources Inc. (“**Canstar**” or the “**Corporation**”).

1.0 Mandate

The Committee shall:

- (a) assist the Board in its oversight role with respect to the quality and integrity of the financial information;
- (b) assess the effectiveness of the Corporation’s risk management and compliance practices;
- (c) assess the independent auditor’s performance, qualifications and independence;
- (d) assess the performance of the Corporation’s internal audit function;
- (e) ensure the Corporation’s compliance with legal and regulatory requirements; and
- (f) prepare such reports of the Committee required to be included in any Management Information Circular in accordance with applicable laws or the rules of applicable securities regulatory authorities.

2.0 Composition and Membership

The Committee shall be composed of not less than three members, each of whom shall be a director of the Corporation. A majority of the members of the Committee shall not be an officer or employee of the Corporation. A majority of the members shall satisfy the applicable independence requirements, and all members shall satisfy the experience requirements, of the laws governing the Corporation, the applicable stock exchanges on which the Corporation’s securities are listed and applicable securities regulatory authorities.

Each member of the Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment.

Members of the Committee shall be appointed or reappointed at the annual meeting of the Corporation and in the normal course of business will serve a minimum of three (3) years. Each member shall continue to be a member of the Committee until a successor is appointed, unless the member resigns, is removed or ceases to be a Director. The Board of Directors may fill a vacancy that occurs in the Committee at any time.

The Board of Directors or, in the event of its failure to do so, the members of the Committee, shall appoint or reappoint, at the annual meeting of the Corporation a Chair among their number. The Chair shall not be a former executive Officer of the Corporation. Such Chair shall serve as a liaison between members and senior management.

The time and place of meetings of the Committee and the procedure at such meetings shall be determined from time to time by the members therefore provided that:

- (a) a quorum for meetings shall be at least two members;
- (b) the Committee shall meet at least quarterly;

- (c) notice of the time and place of every meeting shall be given in writing or by telephone, facsimile, email or other electronic communication to each member of the Committee at least twenty-four (24) hours in advance of such meeting;
- (d) a resolution in writing signed by all directors entitled to vote on that resolution at a meeting of the Committee is as valid as if it had been passed at a meeting of the Committee.

The Committee shall report to the Board of Directors on its activities after each of its meetings. The Committee shall review and assess the adequacy of this charter annually and, where necessary, will recommend changes to the Board of Directors for its approval. The Committee shall undertake and review with the Board of Directors an annual performance evaluation of the Committee, which shall compare the performance of the Committee with the requirements of this charter and set forth the goals and objectives of the Committee for the upcoming year. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board of Directors may take the form of an oral report by the chairperson of the Committee or any other designated member of the Committee.

3.0 Duties and Responsibilities

3.1 Oversight of the Independent Auditor

- (a) Sole authority to appoint or replace the independent auditor (subject to shareholder ratification) and responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between Management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Committee.
- (b) Sole authority to pre-approve all audit services as well as non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- (c) Evaluate the qualifications, performance and independence of the independent auditor, including (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- (d) Obtain and review a report from the independent auditor at least annually regarding: the independent auditor's internal quality-control procedures; any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five (5) years respecting one or more independent audits carried out by the firm; any steps taken to deal with any such issues; and all relationships between the independent auditor and the Corporation.
- (e) Review and discuss with Management and the independent auditor prior to the annual audit the scope, planning and staffing of the annual audit.
- (f) Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.
- (g) Review, as necessary, policies for the Corporation's hiring of partners, employees or former partners and employees of the independent auditor.

3.2 Financial Reporting

- (a) Review and discuss with Management and the independent auditor the annual audited financial statements prior to the publication of such statements.

- (b) Review and discuss with Management the Corporation's annual and quarterly disclosures made in Management's Discussion and Analysis. The Committee shall approve any reports for inclusion in the Corporation's Annual Report, as required by applicable legislation.
- (c) Review and discuss, with Management and the independent auditor, Management's report on its assessment of internal controls over financial reporting and the independent auditor's attestation report on Management's assessment.
- (d) Review and discuss with Management the Corporation's quarterly financial statements prior to the publication of earnings.
- (e) Review and discuss with Management and the independent auditor at least annually significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements, including any significant changes in the Corporation's selection or application of accounting principles, any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies.
- (f) Review and discuss with Management and the independent auditor at least annually reports from the independent auditors on: critical accounting policies and practices to be used; significant financial reporting issues, estimates and judgments made in connection with the preparation of the financial statements; alternative treatments of financial information within generally accepted accounting principles that have been discussed with Management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor; and other material written communications between the independent auditor and Management, such as any management letter or schedule of unadjusted differences.
- (g) Discuss with the independent auditor at least annually any "Management" or "internal control" letters issued or proposed to be issued by the independent auditor to the Corporation.
- (h) Review and discuss with Management and the independent auditor at least annually any significant changes to the Corporation's accounting principles and practices suggested by the independent auditor, internal audit personnel or Management.
- (i) If applicable, discuss with Management the Corporation's earnings press releases, including the use of "pro forma" or "adjusted" non-GAAP information, as well as financial information and earnings guidance (if any) provided to analysts and rating agencies.
- (j) Review and discuss with Management and the independent auditor at least annually the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements.
- (k) Review and discuss with the Chief Executive Officer and the Chief Financial Officer the procedures undertaken in connection with the Chief Executive Officer and Chief Financial Officer certifications for the annual filings with applicable securities regulatory authorities.
- (l) Review disclosures made by the Corporation's Chief Executive Officer and Chief Financial Officer during their certification process for the annual filing with applicable securities regulatory authorities about any significant deficiencies in the design or operation of internal controls which could adversely affect the Corporation's ability to record, process, summarize and report financial data or any material weaknesses in the internal controls, and any fraud involving Management or other employees who have a significant role in the Corporation's internal controls.
- (m) Discuss with the Corporation's General Counsel at least annually any legal matters that may have a material impact on the financial statements, operations, assets or compliance policies and any material reports or inquiries received by the Corporation or any of its subsidiaries from regulators or governmental agencies.

3.3 Oversight of Risk Management

- (a) Review and approve periodically Management's risk philosophy and risk management policies.
- (b) Review with Management at least annually reports demonstrating compliance with risk management policies.
- (c) Review with Management the quality and competence of Management appointed to administer risk management policies.
- (d) Review reports from the independent auditor at least annually relating to the adequacy of the Corporation's risk management practices together with Management's responses.
- (e) Discuss with Management at least annually the Corporation's major financial risk exposures and the steps Management has taken to monitor and control such exposures, including the Corporation's risk assessment and risk management policies.

3.4 Oversight of Regulatory Compliance

- (a) Establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.
- (b) Discuss with Management and the independent auditor at least annually any correspondence with regulators or governmental agencies and any published reports which raise material issues regarding the Corporation's financial statements or accounting.
- (c) Meet with the Corporation's regulators, according to applicable law.
- (d) Exercise such other powers and perform such other duties and responsibilities as are incidental to the purposes, duties and responsibilities specified herein and as may from time to time be delegated to the Committee by the Board of Directors.

4.0 Funding for the Independent Auditor and Retention of Other Independent Advisors

The Corporation shall provide for appropriate funding, as determined by the Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Committee. The Committee shall also have the authority to retain and, at Canstar's expense, to set and pay the compensation for such other independent counsel and other advisors as it may from time to time deem necessary or advisable for its purposes. The Committee also has the authority to communicate directly with internal and external auditors.

5.0 Procedures for Receipt of Complaints and Submissions Relating to Accounting Matters

- a) The Corporation shall inform employees via e-mail that is disseminated to all employees at least annually, of the officer (the "**Complaints Officer**") designated from time to time by the Committee to whom complaints and submissions can be made regarding accounting, internal accounting controls or auditing matters or issues of concern regarding questionable accounting or auditing matters.
- b) The Complaints Officer shall be informed that any complaints or submissions so received must be kept confidential and that the identity of employees making complaints or submissions shall be kept confidential and shall only be communicated to the Committee or the Chair of the Committee.
- c) The Complaints Officer shall be informed that he or she must report to the Committee as frequently as such Complaints Officer deems appropriate, but in any event no less frequently than on a quarterly basis, prior to the quarterly meeting of the Committee called to approve interim and annual financial statements of the Corporation.

- d) Upon receipt of a report from the Complaints Officer, the Committee shall discuss the report and take such steps as the Committee may deem appropriate.
- e) The Complaints Officer shall retain a record of a complaint or submission received for a period of six (6) years following resolution of the complaint or submission.

6.0 Procedures for Approval of Non-Audit Services

1. The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
 - (a) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (b) financial information systems design and implementation;
 - (c) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (d) actuarial services;
 - (e) internal audit outsourcing services;
 - (f) management functions;
 - (g) human resources;
 - (h) broker or dealer, investment adviser or investment banking services;
 - (i) legal services;
 - (j) expert services unrelated to the audit; and
 - (k) any other service that the Canadian Public Accountability Board determines is impermissible.
2. In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.
3. The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis.

7.0 Reporting

The Chair will report to the Board at each Board meeting on the Committee's activities. The Committee will annually review and approve the Committee's report for inclusion in the Annual Information Form. The Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

8.0 Access to Information and Authority

The Committee will be granted unrestricted access to all information regarding Canstar that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by members of the committee.

9.0 Review of Charter

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

Dated: September 15, 2022

Approved by: Audit Committee
Board of Directors

Schedule B
Amended Bylaws

AMENDED AND RESTATED BY-LAW NO.1

The by-laws relating generally to the transaction of the business and affairs of

CANSTAR RESOURCES INC.
(herein called the “Corporation”)

CONTENTS

1. Interpretation
2. Business of the Corporation
3. Directors
- 3.A Nomination of Directors
4. Committees
5. Officers
6. Protection of Directors, Officers and Others
7. Shares
8. Dividends and Rights
9. Meetings of Shareholders
10. Information Available to Shareholders
11. Divisions and Departments
12. Notices
14. Effective Date
14. Repeal

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of the Corporation as follows:

SECTION ONE **INTERPRETATION**

1.01 Definitions

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

- (a) “Act” means the Business Corporations Act, R.S.O. 1990 c. B.16 and the regulations made pursuant thereto, as from time to time amended, and every statute that may be substituted therefor and, in the case of such substitution, any reference in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (b) “appoint” includes “elect” and vice versa;
- (c) “board” means the board of directors of the Corporation;
- (d) “by-laws” means this by-law and all other by-laws of the Corporation as amended from time to time, and from time to time in force and effect;
- (e) “meeting of shareholders” includes an annual meeting of shareholders and special meeting of shareholders; “special meeting of shareholders” includes a meeting of any class or classes of shareholders and special meeting of all shareholders entitled to vote at an annual meeting of shareholders;

(f) “non-business day” means Saturday, Sunday and any other day that is a holiday as defined in the Interpretation Act (Ontario);

(g) “recorded address” means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there is more than one; and in the case of a director, officer, auditor or member of a committee of the board his latest address as recorded in the records of the Corporation;

(h) “signing officer” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by paragraph 2.03 or by a resolution passed pursuant thereto;

(i) all terms contained in the by-laws and which are defined in the Act shall have the meanings given to such terms in the Act; and

(j) the singular shall include the plural and the plural shall include the singular; the masculine shall include the feminine and neuter genders; and the word “person” shall include individuals, bodies corporate, corporations, companies, partnerships, syndicates, trusts, unincorporated organizations and any number or aggregate of persons.

SECTION TWO

BUSINESS OF THE CORPORATION

2.01 Corporate Seal

The Corporation may have a corporate seal which shall be adopted and may be changed by resolution of the board.

2.02 Financial Year

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

2.03 Execution of Instruments

The board shall have power from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The seal of the Corporation may when required be affixed to contracts, documents and instruments in writing signed as aforesaid or by any officer or officers, person or persons, appointed as aforesaid by resolution of the board.

The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances transfers and assignments of shares, share warrants, stocks, bonds, debentures, notes or other securities and all paper writings.

The signature or signatures of the Chairman of the Board (if any), the President, a Vice-President, the Secretary, the Treasurer, an Assistant Secretary, an Assistant Treasurer or any director of the Corporation and/or any other officer or officers, person or persons, appointed as

aforesaid by resolution of the board may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation executed or issued by or behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation on which the signature or signatures of any of the foregoing officers or directors or persons authorized as aforesaid shall be so reproduced pursuant to special authorization by resolution of the board, shall be deemed to have been, annually signed by such officers or directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or directors or persons whose signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation.

2.04 Banking Arrangements

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

2.05 Custody of Securities

All shares and securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board, with such other depositaries or in such other manner as may be determined from time to time by resolution of the board.

All share certificates, bonds, debentures, notes or other obligations or securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more the one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

2.06 Voting Shares and Securities in other Companies

All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders debenture holders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as any two of the Chairman together with one other officer shall from time to time determine. The proper signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board.

2.07 Resolutions in Writing

A resolution in writing, signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or such committee of directors.

Subject to the Act, a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders.

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

SECTION THREE

DIRECTORS

3.01 Number of Directors

Subject to the articles, the Board shall consist of the number of directors specified in the articles, except that if the articles provide for a minimum and maximum number of directors, the Board shall consist of the number of directors determined from time to time by a special resolution of the shareholders (or, if the directors are empowered by a special resolution to determine the number, by a resolution of the Board) within such minimum and maximum.

3.02 Quorum

Subject to the Act, a quorum for the transaction of business shall be a majority of the number of directors as determined in accordance with Section 3.01. If there is no quorum at a meeting, a majority of the directors present may adjourn the meeting to a fixed time and place, but no other business may be transacted thereat.

3.03 Qualification

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

3.04 Election and Term

The election of directors shall take place at the first meeting of shareholders and at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The election need not be by ballot unless a ballot is demanded by any shareholder or required by the chairman of the meeting. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

3.05 Removal

Subject to the Act, the shareholders may, by ordinary resolution passed at a special meeting, remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the Board.

3.06 Vacation of Office

A director ceases to hold office when he dies or, subject to the Act, resigns; he is removed from office by the shareholders in accordance with the Act; he becomes of unsound mind and is so found by a court in Canada or elsewhere or if he acquires the status of a bankrupt.

3.07 Vacancies

Subject to the Act, a quorum of the board may fill a vacancy in the board. In the absence of a quorum of the board, or if the vacancy has arisen from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy. If the directors then

in office fail to call such meeting or if there are no directors then in office, any shareholder may call the meeting.

3.08 Action by the Board

The board shall manage or supervise the management of the business and affairs of the Corporation. Subject to paragraphs 3.08 and 3.09, the power of the board may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

3.09 Meeting by Communication Facilities.

If all the directors present at or participating in the meeting consent, a meeting of the Board or of a committee of the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means shall be deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board. If a majority of the directors participating in a meeting held under this section are then in Canada, the meeting shall be deemed to have been held in Canada.

3.10 Place of Meeting

Meetings of the Board may be held at any place within or outside Ontario.

3.11 Notice of Meeting

Notice of the date, time and place of each meeting of the board shall be given in the manner provided in paragraph 12.01 to each director not less than forty-eight (48) hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified or except where the meeting is to deal with the removal from office of any director or officer or the approval of any matter requiring shareholder approval or any matter proposed to be put before the shareholders for approval or consideration. A director may in any manner waive notice of or otherwise consent to a meeting of the board.

3.12 First Meeting of New Board

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

3.13 Adjourned Meeting

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

3.14 Regular Meetings

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

3.15 Chairman

The chairman of any meeting of the board shall be the Chairman of the Board or if the Chairman is not present, such director as the board may designate.

3.16 Votes to Govern

At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes the chairman of the meeting shall be entitled to second or casting vote.

3.17 Conflict of Interest

A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of the meetings of the directors the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or shareholders, and a director interested in a contract so referred to the board shall not vote on any resolution to approve the same except as permitted by the Act.

3.18 Remuneration and Expenses

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

SECTION THREE A **NOMINATION OF DIRECTORS**

3A.1 Definitions

For purposes of this Part 3A, unless the context otherwise specifies or requires, the following terms shall have the meanings set out below. Any terms not defined in this Part 3A but that are elsewhere defined in the by-laws, shall, for all purposes hereof, have the meanings given to such terms in the by-laws.

“**Affiliate**” has the meaning given to that term in the Act.

“**Applicable Securities Laws**” means the Securities Act (Ontario) and the equivalent legislation in the other provinces and territories of Canada, 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.

“**Applicable Securities Laws**” means the Securities Act (Ontario) and the equivalent legislation in the other provinces and territories of Canada, 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.

3A.2 Nomination Procedures

Subject only to the Act, Applicable Securities Laws and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. 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, as set out in the notice of meeting, was the election of directors, by,

- (a) or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting,
- (b) or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act, or
- (c) any person (a “Nominating Shareholder”) who (i) at the close of business on both the date of the giving of the notice provided for below in this Part 3A and on the record date for notice of such meeting, is entered in the securities register of the Corporation 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 has complied with the notice procedures set forth below in this Part 3A.

3A.3 Timely Notice

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely (as described in Section 3A.4 below) notice thereof in proper written form (as described in Section 3A.5 below) to the Corporation, to the attention of both the Corporate Secretary and to the General Counsel at the principal executive offices of the Corporation in accordance with this Part 3A even if the Nominating Shareholder has already made such matter the subject of a notice to the shareholders or a public announcement.

3A.4 Manner of Timely Notice.

To be timely, a Nominating Shareholder’s notice to the Corporate Secretary and to the General Counsel of the Corporation must be made:

- (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for 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 close of business on the tenth (10th) day following the Notice Date;
- (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 also called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made; and

- (c) notwithstanding the foregoing, in the case of an annual meeting of shareholders of the Corporation or a special meeting of shareholders of the Corporation that is not also an annual meeting but is called for the purpose of electing directors (whether or not also called for other purposes) where “notice-and-access” (as defined in National Instrument 54-101 - Communication with Beneficial Owners of Securities of a Reporting Issuer) is used for delivery of proxy-related materials and the Notice Date is not less than 45 days before the date of the meeting, not less than 40 days prior to the date of the meeting.

3A.5 Proper Form of Notice

To be in proper written form, a Nominating Shareholder’s notice to the Corporate Secretary and to the General Counsel of the Corporation must set forth:

- (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director:
 - a. the name, age, citizenship, business address and residence address of the person,
 - b. the principal occupation or employment of the person for the past five years,
 - c. the class or series and number of shares in the capital of the Corporation which are controlled, or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders and as of the date of such notice, and
 - d. full particulars regarding any contract, agreement, arrangement, understanding or relationship (collectively, “Arrangements”), including without limitation financial, compensation and indemnity related Arrangements, between the proposed nominee or any associate or Affiliate of the proposed nominee and (A) any Nominating Shareholder or any of its representatives or (B) any other person or company relating to the proposed nominee’s nomination for election, or potential service, as a director of the Corporation; and
 - e. 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 Act and Applicable Securities Laws.

and

- (b) as to the Nominating Shareholder giving the notice:
 - a. the number of securities of each class of voting securities of the Corporation beneficially owned, or controlled or directed, directly or indirectly, by such person or any other person with whom such person is acting jointly or in concert with respect to the Corporation or any of its securities, as of the record date for the meeting and as of the date of such notice;
 - b. details regarding any proxy or Arrangement pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation; and
 - c. any other information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

3A.6 Power of the Chair

The chairman of any shareholder meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in this Part 3A and, if any proposed nomination is not in compliance with this Part 3A, to declare that such defective nomination shall be disregarded.

3A.7 Delivery of Notice

Notwithstanding any other provision of the by-laws, notice given to the Corporate Secretary and to the General Counsel of the Corporation pursuant to this Part 3A may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated on the Corporation's website from time to time 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, 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 and to the General Counsel at the address of the principal executive offices of the Corporation; 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. (Toronto 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.

3A.8 Waiver

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Part 3A.

SECTION FOUR **COMMITTEES**

4.01 Committee of Directors

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

4.02 Transaction of Business

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

4.03 Audit Committee

The board may elect annually from among its number an audit committee to be composed of not fewer than three directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act.

4.04 Advisory Committee

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

4.05 Procedure

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

SECTION FIVE

OFFICERS

5.01 Appointment

The board may from time to time appoint a Chairman of the Board, a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to paragraph 5.02, an officer may but need not be a director and one person may hold than one office. In case and whenever the same person holds the offices of Secretary and Treasurer, he may but need not be known as the Secretary-Treasurer. All officers shall sign such contracts, documents, or instruments in writing as required their respective signatures. In the case of the absence or inability to act of any officer or for any other reason that the board may deem sufficient, board may delegate all or any of the powers of such officer to any other officers or to any director for the time being.

5.02 Chairman of the Board

The Chairman of the Board shall be a director and shall, when preside at all meetings of the board and committees of the board. The Chairman of the Board shall be vested with and may exercise such powers and shall perform such other duties as may from time to time be assigned to him by the board.

5.03 President

The President shall have general supervision of the business and affairs of the Corporation and such other powers and duties as the board may specify from time to time.

5.04 Vice-President

Each Vice-President shall have such powers and duties as the board or the President may specify. The Vice-President or, if more than one, the Vice-President designated from time to time by the board or by the President, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of the board and that a Vice-President who is not a director and shareholder shall not preside as chairman at any meeting of shareholders.

5.05 Secretary

The Secretary shall give or cause to be given as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board may specify.

5.06 Treasurer

The Treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board may specify. Unless and until the board designates any other

officer of the Corporation to be the Chief Financial Officer of the Corporation, the Treasurer shall be the Chief Financial Officer of the Corporation.

5.07 Powers and Duties of Other Officers

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

5.08 Variation of Powers and Duties

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

5.09 Term of Office

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

5.10 Terms of Employment and Remuneration

The terms of employment and the remuneration of an officer appointed by the board shall be settled by it from time to time. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be so determined.

5.11 Conflict of Interest

An officer shall disclose his interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with paragraph 3.17.

5.12 Agents and Attorneys

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

5.14 Fidelity Bonds

The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

SECTION SIX
PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

6.01 Submission of Contracts or Transactions to Shareholders for Approval

The board in its discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meetings (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law)

shall be as valid and as binding upon the Corporation and upon all the shareholders as though it has been approved, ratified or confirmed by every shareholder of the Corporation.

6.02 For the Protection of Directors and Officers

In supplement of and not by way of limitation upon any rights conferred upon directors by the provisions of the Act, it is declared that no director shall be disqualified by his office from, or vacate his office by reason of, holding any office or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder or by reason of being otherwise in any directly or indirectly interested or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in anyway directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director shall be in any way directly or indirectly interested shall be avoided or voidable and no director shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of the fiduciary relationship existing or established thereby. Subject to the provisions of the Act and to paragraph 3.17, no director shall be obliged to make any declaration of interest or refrain from voting in respect of a contract or proposed contract with the Corporation in which such director is in any way directly or indirectly interested.

6.03 Limitation of Liability

Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglect or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any persons, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly, in good faith and in the best interests of the Corporation and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member if a firm or a shareholder, director or officer of a company which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

6.04 Indemnity

Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if

- (a) he acted honestly and in good faith with a view to the best interest of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

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

6.05 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in paragraph 6.04 against such liabilities and in such amounts as the board may from time to time determine and are permitted by the Act.

SECTION SEVEN SHARES

7.01 Allotment

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

7.02 Commissions

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

7.03 Registration of transfers

Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with an endorsement which complies with the Act made thereon or delivered therewith duly executed by an appropriate person as provided by the Act, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in paragraph 7.05.

7.04 Transfer Agents and Registrars

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

7.05 Non-recognition of Trusts

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

7.06 Share Certificates

Every holder of one or more shares of the Corporation shall be entitled at his option, to a share certificate, or to a non-transferable written acknowledgment of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Share certificates and acknowledgments of a shareholder's right to a share certificate, respectively, shall be in such forms as the board shall from time to time approve. Any share certificate shall be signed in accordance with paragraph 2.03 and need not be under the corporate seal; provided that, unless the board otherwise determine, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signature of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

7.07 Replacement of Share Certificates

The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such reasonable fee, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

7.08 Joint Shareholders

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

7.09 Deceased Shareholders

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

SECTION EIGHT

DIVIDENDS AND RIGHTS

8.01 Dividends

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

8.02 Dividend Cheques

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

8.03 Non-receipt of Cheques

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

8.04 Record Date for Dividends and Rights

The board may fix in advance a date, proceeding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

8.05 Unclaimed Dividends

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

SECTION NINE

MEETING OF SHAREHOLDERS

9.01 Annual Meeting

The annual meeting of shareholders shall be held at such time in each year as the board or the Chairman of the Board together with any one other officer of the Corporation may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting.

9.02 Special Meetings

The board or the Chairman of the Board together with any one other officer of the Corporation shall have power to call a special meeting of shareholders at any time.

9.03 Place of Meetings

Meetings of shareholders shall be held at the registered office of the Corporation or, if the Board shall so determine, at such other place in or outside Ontario. For greater certainty, the Board may determine that a meeting of shareholders shall be held entirely by telephonic, electronic or other communication facility.

9.04 Participation by Electronic Means

If the Corporation chooses to make available a telephonic or electronic facility that permits all participants to communicate adequately with each other during a meeting of shareholders, any shareholder entitled to attend such meeting may participate in the meeting by means of such telephonic or electronic communication facility. A shareholder, who through such means votes at the meeting or establishes a communications link to the meeting is deemed to be present at the meeting. Notwithstanding any other provision of the by-laws, any person participating in a meeting of shareholders pursuant to this Part who is entitled to vote at that meeting may vote, in accordance with the Act, by means of any telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

9.05 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner provided in paragraph 12.01 not less than 10 days, if the Corporation is a private business and not less than 21 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities registrar as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditors' report, election of directors and reappointment of the incumbent auditor shall state or be accompanied by a statement of the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

9.05 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to paragraph 9.06, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting for which the list was prepared.

9.06 Record Date for Notice

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 10 days if a private corporation and not less than 21 days if

a publicly traded company, as a record date for the determination of the shareholders entitled to notice of the meeting, provided that notice of any such record date shall be given not less than seven days before such record date by newspaper advertisement in the manner provided in the Act and, if any shares of the Corporation are listed for trading on stock exchange in Canada, by written notice to each such stock exchange. If no record date is so fixed, record date for the determination of the shareholders entitled to notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

9.07 Meeting without Notice

A meeting of shareholders may be held without notice at any time and place permitted by the Act:

- (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy waive notice of or otherwise consent to such meeting being held, and
- (b) if the auditor and the directors are present or waive notice of or otherwise consent to such meeting being held, so long as such shareholders, auditor and directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

9.08 Chairman, Secretary and Scrutineers

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

9.09 Persons Entitled to be Present

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

9.10 Quorum

Subject to paragraph 9.20 and subject to the provisions of the Act, two or more persons entitled to vote at a meeting of shareholders present in person or by proxy constitute a quorum for the transaction of business at any meeting of shareholders, unless the Corporation only has one shareholder. If at any meeting, the requisite quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date not being less than 10 days later and to such time and place as may be announced by the chairman at the meeting and subject to 9.18, it shall not be necessary to give notice of the adjourned meeting.

At such adjourned meeting the persons present at such meeting, provided that there are at least two such persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, shall be a quorum for the transaction of the business for which the meeting was originally called.

9.11 Right to Vote

Subject to the provisions of the Act as to authorized representatives of any other body corporate or association, at any meeting of shareholders for which the Corporation has prepared the list referred to in paragraph 9.05, every person who is named in such list shall be entitled to vote the shares shown opposite his name except to the extent that such person has transferred any of his shares shown opposite his name except to the extent that such person has transferred any of his shares after the record date determined in accordance with paragraph 9.06 and the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, has demanded not later than 10 days before the meeting that his name be included in such list. In any such case the transferee shall be entitled to vote the transferee shares at the meeting. At any meeting of shareholders for which the Corporation has not prepared the list referred to in paragraph 9.05, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

9.12 Proxies

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

9.14 Time of Deposit of Proxies

The board may by resolution specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting or an adjournment thereof by not more than 48 hours exclusive of any part of a non-business day, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, only if it has been received by the Secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

9.14 Joint Shareholders

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

9.15 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall be entitled to a second or casting vote.

9.16 Show of Hands

Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided.

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

9.17 Ballots

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

9.18 Adjournment

The chairman at the meeting of shareholders may with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

9.19 Resolution in Writing

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

9.20 Only One Shareholder

Where the Corporation has only one shareholder or only one holder of any class or series of shares, all the business which the Corporation may transact at an annual or special meeting of shareholders shall be transacted in the manner provided for in paragraph 9.19.

SECTION TEN **INFORMATION AVAILABLE TO SHAREHOLDERS**

10.01 Information Available to Shareholders

Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the directors it would be inexpedient in the interests of the Corporation to communicate to the public.

10.02 Directors' Determination

The directors may from time to time, subject to the rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulation the

documents, books and registers and accounting records of the corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board or by a resolution of the shareholders in general meeting.

SECTION ELEVEN

DIVISIONS AND DEPARTMENTS

11.01 Creation and Consolidation of Divisions

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

11.02 Name of Division

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

11.03 Officers of Division

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

SECTION TWELVE

NOTICES

12.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box and shall be deemed to have been received on the fifth day after so depositing; and notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

12.02 Signature to Notices

The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

12.03 Proof of Service

A certificate of the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer or of any other officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to the facts in relation to the mailing or delivery of any notice or other document to any shareholder, director officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation as the case may be.

12.04 Notice to Joint Shareholders

All notices with respect to shares registered in more than one name shall, if more than one address appears on the records of the Corporation in respect of such joint holdings, be given to all of such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to the holders of such shares.

12.05 Computation of Time

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

12.06 Undelivered Notices

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

12.07 Omissions and Errors

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

12.08 Deceased Shareholders

Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased, and whether or not the Corporation has notice of his deceased, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with any person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested with him in such shares.

12.09 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such

share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

12.10 Waiver of Notice

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

SECTION THIRTEEN EFFECTIVE DATE

14.01 Effective Date

This by-law shall come into force when enacted by the directors of the Corporation, subject to the approval of the shareholders, subject to the provisions of the Act.

SECTION FOURTEEN REPEAL

14.01 Repeal

Upon this by-law coming into force, By-law Number 1 of the Corporation is hereby repealed provided that such repeal shall not affect the previous operation of such by-laws so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under the validity of any contract or agreement made pursuant to any such by-law prior to its repeal.

ENACTED the ● day of ●, 2025.

Juan Carlos Giron Jr., Chief Executive Officer

Schedule C
Amended Fixed Plan

CANSTAR RESOURCES INC.
INCENTIVE STOCK OPTION PLAN

Section 1 General Provisions

1.1 Interpretation

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **“Applicable Withholdings and Deductions”** has the meaning given to that term in Section 1.10;
- (b) **“Associate”** has the meaning ascribed to that term such term in Policy 1.1 of the TSXV and any amendment thereto or replacement thereof;
- (c) **“Associated Companies”, “Affiliated Companies”, “Controlled Companies” and “Subsidiary Companies”** have the meanings ascribed to those terms under Section 1(1) of the *Securities Act* (Ontario);
- (d) **“Black-Out Period”** means a restriction formally imposed by the Corporation on all or any Eligible Persons as a result of the bona fide existence of undisclosed material information, whereby such Eligible Persons are prohibited from exercising, redeeming or settling their Options.
- (e) **“Board”** has the meaning given to that term in Section 1.3(c);
- (f) **“Business Day”** means any day other than a Saturday, Sunday or a statutory or civic holiday in Ontario;
- (g) **“Cause”** means (i) if the Participant has a written employment agreement with the Corporation or a Subsidiary Company of the Corporation in which “cause” is defined, “cause” as defined therein; or otherwise (ii) (A) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (B) the failure of the Participant to follow the Corporation’s reasonable instructions with respect to the performance of his or her duties; (C) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Corporation; (D) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (E) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee;
- (h) **“Certificate”** has the meaning given to that term in Section 1.3(d);
- (i) **“Change of Control Event”** means:
 - (i) The sale by the Corporation of all or substantially all of its assets;
 - (ii) The acceptance by the Shareholders, representing in the aggregate fifty percent (50%) or more of all of the issued Common Shares, of any offer, whether by way of a takeover bid or otherwise, for all or any of the outstanding Common Shares; provided that no change of control event shall be deemed to have occurred if upon completion of any

such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;

- (iii) The acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert or intend to exercise jointly or in concert any voting rights attaching to the Common Shares acquired), directly or indirectly, of beneficial ownership of such number of Common Shares or rights to Common Shares, which together with such person's then-owned Common Shares and rights to Common Shares, if any, represent (assuming the full exercise of such rights) fifty percent (50%) or more of the combined voting rights attached to the then-outstanding Common Shares;
- (iv) The entering into of any agreement by the Corporation to merge, consolidate, restructure, amalgamate, initiate an arrangement or be absorbed by, into or with another corporation; provided that no change of control event shall be deemed to have occurred if upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting corporation following such effective date;
- (v) The passing of a resolution by the Board or Shareholders to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (vi) The circumstance in which individuals who were members of the Board immediately prior to a meeting of the Shareholders involving a contest for the election of directors no longer constitute a majority of the Board following such election;
- (j) “**Code**” has the meaning given to that term in Section 3.1;
- (k) “**Common Shares**” means the common shares in the capital of the Corporation;
- (l) “**Corporation**” means Canstar Resources Inc.;
- (m) “**Consultant**” has the meaning given to such term in Policy 4.4;
- (n) “**Consultant Company**” has the meaning given to such term in Policy 4.4;
- (o) “**Disinterested Shareholder Approval**” means the approval of a majority of shareholders of the Corporation voting at a duly called and held meeting of such shareholders, excluding votes of Insiders to whom options may be granted under the Plan;
- (p) “**Effective Date**” means March 3, 2025, the date the Plan is approved by the Board;
- (q) “**Eligible Person**” means:
 - (i) any director, officer, employee or Consultant of the Corporation or any of its Subsidiary Companies; and

- (ii) any Personal Holding Company;
- (r) “**Eligible U.S. Participants**” has the meaning given to that term in Section 3.1;
- (s) “**Exercise Price**” has the meaning given to that term in Section 2.2;
- (t) “**Expiry Date**” has the meaning given to that term in Section 2.3(b);
- (u) “**Good Reason**” means, in respect of an officer of the Corporation who has been granted Options under this Plan, solely one of the following events, without such officer’s written consent:
 - (i) a material diminution in such officer’s position, duties or authorities;
 - (ii) the assignment of any duties that are materially inconsistent with the officer’s role as a senior executive; or
 - (iii) a material reduction in the officer’s compensation, other than an across the board reduction of not more than 5% that is generally applicable to all executives.
- (v) “**Insider**” if used in relation to an Issuer means:
 - (i) a director or an officer of the Issuer,
 - (ii) a director or an officer of a Company that is itself an Insider or a subsidiary of the Issuer;
 - (iii) a Person that has
 - A. beneficial ownership of, or control or direction over, directly or
 - B. indirectly, or a combination of beneficial ownership of, and control or direction over, directly or indirectly,
 securities of the Issuer carrying more than 10% of the voting rights attached to all the Issuer’s outstanding voting securities, excluding, for the purpose of the calculation of the percentage held, any securities held by the Person as underwriter in the course of a distribution; or
 - (iv) the Issuer if it has purchased, redeemed or otherwise acquired a security of its own issue, for so long as it continues to hold that security.
- (w) “**Investor Relations Activities**” has the meaning given to such term in Policy 1.1 of the TSXV and any amendment thereto or replacement thereof;
- (x) “**Issuer**” means a Company and its subsidiaries which have any of its securities listed for trading on the TSXV and, as the context requires, any applicant Company seeking a listing of its securities on the TSXV.
- (y) “**Market Price**” means: the closing price of the Common Shares as reported on the TSXV on the last Business Day preceding the date on which the Option is granted by the Corporation (or, if such Common Shares are not then listed and posted for trading on the TSXV, on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board); provided, however, that the Exercise Price of an Option shall not be less than the minimum Exercise Price required by the applicable rules of the TSXV. In the event that the Common Shares did not trade on such Business Day, the Market Price shall be the average of the bid and ask prices in respect of the Common Shares at the close of trading

on such date provided, however, that the Exercise Price of an Option shall not be less than the minimum Exercise Price required by the applicable rules of the TSXV. In the event that the Common Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of the Common Shares as determined by the Board in its sole discretion;

- (z) “**Option**” means an option to purchase Common Shares granted to an Eligible Person pursuant to the terms of the Plan;
- (aa) “**Option Period**” has the meaning given to that term in Section 2.3(a);
- (bb) “**Participant**” means an Eligible Person to whom Options have been granted;
- (bb) “**Personal Holding Company**” means a personal holding corporation that is either wholly owned, or controlled by, the Participant, and the shares of which are held directly or indirectly by any of the Participant or the Participant’s spouse, minor children and/or minor grandchildren;
- (cc) “**Plan**” means this Incentive Stock Option Plan of the Corporation;
- (dd) “**Policy 4.4**” means Policy 4.4 of the TSXV and any amendment thereto or replacement thereof;
- (ee) “**Prior Plan**” means the Company’s predecessor stock option plan, as last approved by shareholders on November 29, 2021.
- (ff) “**Share Compensation Arrangement**” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism of the Corporation involving the issuance or potential issuance of Common Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
- (gg) “**Shareholders**” means holders of Common Shares;
- (hh) “**Stock Exchange**” means the TSXV, and any other stock exchange on which the Common Shares are listed or traded;
- (ii) “**Termination Date**” means the date on which a Participant ceases to be an Eligible Person; and
- (jj) “**TSXV**” means the TSX Venture Exchange.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

1.2 Purpose

The purpose of the Plan is to advance the interests of the Corporation by: (i) providing Eligible Persons with additional incentive; (ii) encouraging stock ownership by such Eligible Persons; (iii) increasing the proprietary interest of Eligible Persons in the success of the Corporation; (iv) encouraging Eligible Persons to remain with the Corporation or its Subsidiary Companies; and (v) attracting new directors, employees and officers.

1.3 Administration

- (a) This Plan shall be administered by the Board.
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options (as hereinafter defined), all on such terms (which may vary between Options granted from time to time) as it shall determine. In addition, the Board shall have the authority to (i) construe and interpret this Plan and all agreements entered into hereunder; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) The Board shall be permitted, through the establishment of appropriate procedures, to monitor the trading of Common Shares by persons who are performing Investor Relations Activities for the Corporation and who have been granted Options pursuant to this Plan.
- (d) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. Whenever used herein, the term “**Board**” means the board of directors of the Corporation, and shall be deemed to include any committee or director to which the Board has, fully or partially, delegated the administration and operation of this Plan pursuant to this Section 1.3.
- (e) An Option shall be evidenced by an incentive stock option agreement certificate (“**Certificate**”), signed on behalf of the Corporation, which Certificate shall be in such form as the Board shall approve from time to time.
- (f) No member of the Board shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Options granted under it.

1.4 Shares Reserved

- (a) Subject to Section 1.4(d), the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Common Shares.
- (b) The Corporation shall at all times during the term of this Plan ensure that the number of Common Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.
- (c) At such time as the Common Shares are listed on the TSXV, subject to adjustments as provided in section 1.4(d), the aggregate number of Common Shares issuable under this Plan shall be fixed at 14,474,138 Common Shares. Any Common Shares subject to an Option which for any reason is cancelled, terminated, settled for cash, surrendered, forfeited or expired without having been exercised shall again be available for grants under the Plan, and under all other Share Compensation Arrangements. Fractional shares will not be issued and will be treated as specified in Section 1.11(d).
- (d) If there is a change in the outstanding Common Shares by reason of any stock dividend or split, recapitalization, amalgamation, consolidation, combination or exchange of shares, or other corporate change, the Board shall make, subject where required to the prior approval of the

Stock Exchange, appropriate substitution or adjustment in:

- (i) the number or kind of Common Shares or other securities reserved for issuance pursuant to the Plan, and
- (ii) the number and kind of Common Shares or other securities subject to unexercised Options theretofore granted and in the Exercise Price of such securities;

without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Common Share covered by the Option; provided, however, that no substitution or adjustment shall obligate the Corporation to issue or sell fractional shares. If the Corporation is reorganized, amalgamated with another corporation or consolidated, the Board shall make such provisions for the protection of the rights of Participants as the Board in its discretion deems appropriate. For greater certainty, any adjustment, other than in connection with a consolidation or stock split, to Options granted under the Plan, must be subject to the prior acceptance of the TSXV, including adjustments related to an amalgamation, merger, arrangement, reorganization, spin-off, dividend or recapitalization.

1.5 Limits with Respect to Certain Persons

- (a) The maximum number of Common Shares which may be issued to:
 - (i) any Consultant in any twelve (12) month period under this Plan may be no more than two percent (2%) of the outstanding Common Shares of the Corporation; and
 - (ii) all Persons conducting Investor Relations Activities for the Corporation in any twelve (12) month period may be, in aggregate, no more than two percent (2%) of the outstanding Common Shares of the Corporation,less the aggregate number of shares reserved for issuance or issuable under any other Share Compensation Arrangement of the Corporation.
- (b) Options granted to Consultants conducting Investor Relations Activities for the Corporation shall vest over a period of not less than twelve (12) months with no more than twenty-five percent (25%) of the Options vesting in any three (3) month period.
- (c) The maximum aggregate number of Common Shares that are issuable pursuant to the Plan together with all Share Compensation Arrangements granted or issued to Insiders (as a group) must not exceed 10% of the issued and outstanding Common Shares of the Corporation at any point in time;
- (d) The maximum aggregate number of Common Shares that are issuable pursuant to the Plan together with all Security Compensation Arrangements granted or issued in any twelve (12) month period to Insiders (as a group) must not exceed 10% of the Common Shares, calculated as at the date any Security Compensation Arrangement is granted or issued to any Insider;
- (e) There may be no acceleration of the vesting requirements applicable to Options granted to persons conducting Investor Relations Activities unless the prior written approval of the TSXV has been obtained.
- (f) The maximum aggregate number of Common Shares that are issuable pursuant to the Plan together with all Security Compensation Arrangements granted or issued in any 12 month period to any one Eligible Person must not exceed 5% of the Common Shares, calculated as at the date of any Security Based Arrangement is granted or issued to the Eligible Person.

1.6 Amendment and Termination

- (a) The Board may from time to time, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and any Certificate relating thereto, provided that no such suspension, termination, amendment or revision will be made:
 - (i) except in compliance with applicable law and with the prior approval, if required, of the Stock Exchange or any other regulatory body having authority over the Corporation, the Plan or the Shareholders; and
 - (ii) in the case of an amendment or revision, if it materially adversely affects the rights of any Participant, without the consent of the Participant.
- (b) If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules and regulations adopted by the Board and in force on the date of termination will continue in effect as long as any Option or any rights pursuant thereto remain outstanding and, notwithstanding the termination of the Plan, the Board will remain able to make such amendments to the Plan or the Options as they would have been entitled to make if the Plan were still in effect.
- (c) Subject to any applicable rules of the Stock Exchange, the Board may from time to time, in its absolute discretion and without the approval of Shareholders, make the following amendments to the Plan or any Option:
 - (i) amend the vesting provisions of the Plan and any Certificate;
 - (ii) amend the Plan or an Option as necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, the Plan or the Shareholders;
 - (iii) any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan; and
 - (iv) any amendment respecting the administration of the Plan.
- (d) Disinterested Shareholder Approval is required for the following amendments to the Plan or Options granted thereunder:
 - (i) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price of the Options;
 - (ii) any extension of the Expiry Date of an Option held by an Insider.

1.7 Compliance with Legislation

- (a) The Plan (including an amendment to the Plan), the terms of the issue or grant of any Option under the Plan, the grant and exercise of Options hereunder, and the Corporation’s obligation to sell and deliver Common Shares upon the exercise of Options, shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations

of the Stock Exchange and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Option hereunder to issue or sell Common Shares in violation of such laws, rules and regulations or any condition of such approvals.

- (b) No Option shall be granted, and no Common Shares issued hereunder, where such grant, issue or sale would require registration of the Plan or of Common Shares under the securities laws of any foreign jurisdiction, and any purported grant of any Option or purported issue of Common Shares hereunder in violation of this provision shall be void.
- (c) The Corporation shall have no obligation to issue any Common Shares pursuant to the Plan unless such Common Shares shall have been duly listed, upon official notice of issuance, with the Stock Exchange. Common Shares issued and sold to Participants pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws.
- (d) If Common Shares cannot be issued to a Participant upon the exercise of an Option due to legal or regulatory restrictions, the obligation of the Corporation to issue such Common Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the applicable Participant as soon as practicable.

1.8 Effective Date

The Plan shall be effective on the Effective Date.

1.9 Proceeds from Exercise of Options

The proceeds from any sale of Common Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

1.10 Tax Withholdings

Notwithstanding any other provision contained herein, in connection with the exercise of an Option by a Participant from time to time, as a condition to such exercise (i) the Corporation shall require such Participant to pay to the Corporation or the relevant Subsidiary Company an amount as necessary so as to ensure that the Corporation or such Subsidiary Company, as applicable, is in compliance with the applicable provisions of any federal, provincial or local law relating to the withholding of tax or other required deductions (the “**Applicable Withholdings and Deductions**”) relating to the exercise of such Options; or (ii) in the event a Participant does not pay the amount specified in (i), the Corporation shall be permitted to engage a broker or other agent, at the risk and expense of the Participant, to sell an amount of underlying Common Shares issuable on the exercise of such Option through the facilities of the Stock Exchange, and to apply the cash received on the sale of such underlying Common Shares as necessary so as to ensure that the Corporation or the relevant Subsidiary Company, as applicable, is in compliance with the Applicable Withholdings and Deductions relating to the exercise of such Options. In addition, the Corporation or the relevant Subsidiary Company, as applicable, shall be entitled to withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Corporation or the relevant Subsidiary Company is in compliance with Applicable Withholdings and Deductions relating to the exercise of such Options.

1.11 Miscellaneous

- (a) Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or compensation arrangements, subject to any required approval.

- (b) The Corporation may only grant options pursuant to resolutions of the Board.
- (c) In determining options to be granted to Participants, the Board shall give due consideration to the value of each such Participant's present and potential contribution to the success of the Corporation.
- (d) Nothing contained in the Plan nor in any Option granted thereunder shall be deemed to give any Participant any interest or title in or to any Common Shares or any rights as a Shareholder or any other legal or equitable right against the Corporation or any of its Subsidiary Companies whatsoever other than as set forth in the Plan and pursuant to the exercise of any Option.
- (e) The Plan does not give any Participant or any employee of the Corporation or any of its Associated Companies, Affiliated Companies, Subsidiary Companies or Controlled Companies the right or obligation to or to continue to serve as a Consultant, director, officer or employee, as the case may be, to or of the Corporation or any of its Associated Companies, Affiliated Companies, Subsidiary Companies or Controlled Companies. The awarding of Options to any Eligible Person is a matter to be determined solely in the discretion of the Board. The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issue of any Common Shares or any other securities in the capital of the Corporation other than as specifically provided for in the Plan. The grant of an Option to, or the exercise of an Option by, a Participant under the Plan does not create the right for such Participant to receive additional grants of Options hereunder.
- (f) No fractional Common Shares shall be issued upon the exercise of options granted under the Plan and, accordingly, if a Participant would become entitled to a fractional Common Share upon the exercise of an Option, or from an adjustment pursuant to Section 1.4(d) such Participant shall only have the right to purchase the next lowest whole number of Common Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.
- (g) The Corporation makes no representation or warranty as to the future market value of the Common Shares or with respect to any income tax matters affecting the Participant resulting from the grant or exercise of an Option and/or transactions in the Common Shares. Neither the Corporation, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such person or any other person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Common Shares hereunder, with respect to any fluctuations in the market price of Common Shares or in any other manner related to the Plan.
- (h) This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (i) If any provision of this Plan shall be determined by any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision shall be severed from this Plan and the remaining provisions shall continue in full force and effect.
- (j) This Plan constitutes the entire stock option plan for the Corporation and its Participants and supersedes any prior stock option plans for such persons. From and after the Effective Date, the Prior Plan shall be cancelled and deemed to be cancelled and all stock options granted thereunder shall be governed and deemed to be governed by the provisions of this Plan as existing Options granted under this Plan.

Section 2 Options

2.1 Grants

- (a) Subject to the provisions of the Plan, the Board shall have the authority to determine the limitations, restrictions and conditions, if any, in addition to those set forth in Section 1.3(b) and Section 2.3 hereof, applicable to the exercise of an Option. An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion.
- (b) The Board may, in its discretion, select any directors, officers, employees or Consultants of or to the Corporation or Subsidiary Companies of the Corporation to participate in this Plan.
- (c) For Options granted to employees of the Corporation, Consultants or individuals employed by a company or individual providing management services to the Corporation, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a bona fide employee of the Corporation, Consultant or individual employed by a company or individual providing management services to the Corporation, as the case may be.
- (d) The Board may from time to time, in its discretion, grant Options to any Participant upon the terms, conditions and limitations set forth herein and such other terms, conditions and limitations permitted by and not inconsistent with this Plan as the Board may determine, provided that Options granted to any Participant shall be approved by the Shareholders if the rules of the Stock Exchange require such approval.

2.2 Exercise Price

- (a) An Option may be exercised at a price (the “**Exercise Price**”) that shall be fixed by the Board at the time that the Option is granted, but in no event shall it be less than the Market Price. The Exercise Price shall be subject to adjustment in accordance with the provisions of Section 1.4(d) hereof.
- (b) if Options are granted within ninety (90) days of a distribution (the “**Distribution Period**”) by the Corporation by prospectus, the minimum exercise price per Common Share of those options will be the greater of the Market Price and the price per Common Share paid by the public investors for Common Shares acquired pursuant to such distribution. The Distribution Period shall begin:
 - (i) on the date the final receipt is issued for the final prospectus in respect of such distribution; and
 - (ii) in the case of a prospectus that qualifies special warrants, on the closing date of the private placement in respect of such special warrants.

2.3 Exercise of Options

- (a) The period during which an Option may be exercised (the “**Option Period**”) shall be determined by the Board at the time the Option is granted, subject to any vesting limitations that may be imposed by the Board in its sole and unfettered discretion at the time such Option is granted, provided that:
 - (i) no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted;
 - (ii) the Option Period shall be automatically reduced in accordance with Section 2.3(g) below upon the occurrence of any of the events referred to therein; and

- (iii) no Option in respect of which Shareholder approval is required under the rules of the Stock Exchange shall be exercisable until such time as such Option has been approved by the Shareholders.
- (b) Notwithstanding any other provision of the Plan, if the date that any vested Option ceases to be exercisable (the “**Expiry Date**”) falls on a date upon which such Participant is prohibited from exercising such Option due to a black-out period or other trading restriction imposed by the Corporation (a “**Black-Out Period**”), then the Expiry Date of such Option shall be automatically extended to the tenth (10th) Business Day following the date the relevant Black-Out Period or other trading restriction imposed by the Corporation is lifted, terminated or removed.
- (c) Notwithstanding any other provision of this Plan, except for and subject to Section 1.5(e), in the event of an actual or potential Change of Control Event, the Board may, in its discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Option; (ii) permit the conditional exercise of any Option, on such terms as it sees fit; (iii) otherwise amend or modify the terms of the Option, including for greater certainty permitting Participants to exercise any Option, to assist the Participants to tender the underlying Common Shares to, or participate in, the actual or potential Change of Control Event or to obtain the advantage of holding the underlying Common Shares during such Change of Control Event; (iv) permit the exchange for or into any other security or any other property or cash, any Option that has not been exercised without regard to any vesting conditions attached thereto; and (v) terminate, following the successful completion of such Change of Control Event, on such terms as it sees fit, the Options not exercised prior to the successful completion of such Change of Control Event. In addition, in the event of an actual or potential Change of Control Event, the Board, or any company which is or would be the successor to the Corporation or which may issue securities in exchange for Common Shares upon such Change of Control Event becoming effective, may in its discretion, without the necessity or requirement for the agreement of any Participant, issue a new or replacement options over any securities into which the Options are exercisable, on a basis proportionate to the number of Common Shares underlying such Option and at a proportionate Exercise Price (and otherwise substantially upon the terms of the Option being replaced, or upon terms no less favourable to the Participant) including, without limitation, the periods during which the Option may be exercised and expiry dates; and in such event, the Participant shall be deemed to have released his or her Option over the Common Shares and such Option shall be deemed to have lapsed and be cancelled.
- (d) Notwithstanding any other provision of this Plan, in the event that:
 - (i) an actual or potential Change of Control Event is not completed within the time specified therein; or
 - (ii) all of the Common Shares subject to an Option that were tendered by a Participant in connection with an actual or potential Change of Control Event are not taken up or paid for by the offeror in respect thereof,

then the Board may, in its discretion, without the necessity or requirement for the agreement of any Participant, permit the Common Shares received upon such exercise, or in the case of Subsection (ii) above the Common Shares that are not taken up and paid for, to be returned by the Participant to the Corporation and reinstated as authorized but unissued Common Shares and, with respect to such returned Common Shares, the related Options may be reinstated as if they had not been exercised and the terms for such Options becoming vested will be reinstated pursuant to this Section 2.3. If any Common Shares are returned to the Corporation under this Section 2.3, the Corporation will immediately refund the Exercise Price to the Participants for

such Common Shares.

- (e) Options shall not be transferable or assignable by the Participant otherwise than by will or the laws of descent and distribution, and shall be exercisable during the lifetime of a Participant only by the Participant and after death only by the Participant's legal representative.
- (f) Provided that the Common Shares are listed on the TSXV, if the Participant is a company, including a Consultant Company, the company shall not be permitted to effect or permit any transfer of ownership or option of shares of the company nor to issue further shares of any class of the company to any individual or entity as long as the options remain outstanding, except where the written consent of the TSXV has been obtained.
- (g) Subject to Section 2.3(a) and except as otherwise determined by the Board:
 - (i) if a Participant who is a non-executive director of the Corporation ceases to be an Eligible Person as a result of his or her retirement from the Board, each unvested Option held by such Participant shall automatically vest on the date of his or her retirement from the Board, and thereafter each vested Option held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and one (1) year after the date of his or her retirement from the Board;
 - (ii) if the Board service, consulting relationship, or employment of a Participant with the Corporation or a Subsidiary Company is terminated for Cause, each vested and unvested Option held by the Participant will automatically terminate and become void on the Termination Date;
 - (iii) if a Participant dies, the legal representative of the Participant may exercise the Participant's vested Options for a period until the earlier of the original Expiry Date of the Option and twelve (12) months after the date of the Participant's death, but only to the extent the Options were by their terms exercisable on the date of death. For greater certainty, all unvested Options held by a Participant who dies shall terminate and become void on the date of death of such Participant;
 - (iv) if a Participant ceases to be an Eligible Person for any reason whatsoever other than in (i) to (iv) above, each vested Option held by the Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and six (6) months after the Termination Date; provided that all unvested Options held by such Participant shall automatically terminate and become void on the Termination Date of such Participant. Without limitation, and for greater certainty only, this provision will apply regardless of whether the Participant received compensation in respect of dismissal or was entitled to a period of notice of termination which would otherwise have permitted a greater portion of the Option to vest with the Participant; and
 - (v) notwithstanding any provision in this Section 2.3(g) to the contrary, if a Participant who is an officer of the Corporation ceases to be an Eligible Person as a result of such officer's termination without Cause or resignation for Good Reason, any unvested Options as of the date of termination will be accelerated and become immediately fully vested as of such date. Such options will be exercisable by the officer for a period of up to one (1) year following the date of termination.
- (h) The Exercise Price of each Common Share purchased under an Option shall be paid in full in cash, or by bank draft, wire transfer or certified cheque at the time of such exercise, and upon receipt of payment in full, the number of Common Shares in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.

- (i) Upon the exercise of Options pursuant to this section, the Corporation shall forthwith deliver, or cause the registrar and transfer agent of the Common Shares to deliver, to the relevant Participant (or his or her legal or personal representative) or to the order thereof, a certificate representing the number of Common Shares with respect to which Options have been exercised.
- (j) Subject to the other provisions of this Plan and any vesting limitations imposed by the Board at the time of grant, Options may be exercised, in whole or in part, at any time or from time to time, by a Participant by written notice given to the Corporation as required by the Board from time to time.

2.4 Notice

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid, or delivered by courier or by facsimile transmission addressed, if to the Corporation, to the office of the Corporation in Toronto, Ontario, Attention: President & Chief Executive Officer; or if to a Participant, to such Participant at his address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing, then to the last known address of such Participant; or if to any other person, to the last known address of such person.

2.5 Rights of Participants

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a Shareholder in respect of any underlying Common Shares issuable upon exercise of such Option, including without limitation, the right to participate in any new issue of Common Shares to existing holders of Common Shares, until such Option has been exercised and such underlying Common Shares have been paid for in full and issued to such person.

2.6 Right to Issue Other Shares

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further Common Shares, varying or amending its share capital or corporate structure.

2.7 Quotation of Common Shares

So long as the Common Shares are listed on the TSXV, the Corporation must apply to the TSXV for the listing or quotation of the Common Shares issued upon the exercise of all Options granted under the Plan, however, the Corporation cannot guarantee that such Common Shares will be listed or quoted on the TSXV.

Section 3 Special Rules for U.S. Eligible Persons

3.1 Section 409A Compliance

Notwithstanding any other provision of this Plan, the following special rules will apply to all Eligible Persons (“**Eligible U.S. Participants**”) who are subject to U.S. income tax with respect to Options issued under the Plan to them:

- (a) All Options granted under this Plan to Eligible U.S. Participants are intended to be exempt from Section 409A of the United States Internal Revenue Code of 1986, as amended (the “**Code**”) and will be construed accordingly. However, the Corporation will not be liable to any Eligible U.S. Participant or beneficiary with respect to any adverse tax consequences arising under Section 409A or other provision of the Code; and
- (b) The Exercise Price for all Options granted to Eligible U.S. Participants shall in no event be less than the greater of (i) the Market Price; and (ii) the closing price of the Common Shares as

reported by the TSXV on the business day immediately preceding the day on which the Option is granted.

STOCK OPTION AGREEMENT

This Stock Option Agreement is dated this day of , 20 between Canstar Resources Inc. (the “**Corporation**”) and [Name] (the “**Optionee**”).

WHEREAS the Optionee has been granted certain options (“**Options**”) to acquire common shares in the capital of the Corporation (“**Common Shares**”) under the Canstar Resources Inc. Incentive Stock Option Plan (the “**Option Plan**”), a copy of which has been provided to the Eligible Optionee;

AND WHEREAS capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Option Plan;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The Corporation confirms that the Optionee has been granted Options under the Option Plan on the following basis, subject to, the terms and conditions of the Option Plan:

DATE OF GRANT	NUMBER OF OPTIONS	EXERCISE PRICE (CDN\$)	VESTING SCHEDULE	EXPIRY DATE
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

2. Attached to this Agreement as Schedule “A” is a form of notice that the Optionee may use to exercise any of his or her Options in accordance with Section 2.3 of the Option Plan at any time and from time to time prior the Expiry Date of such Options.
3. By signing this Stock Option Agreement, the Optionee acknowledges that he or she has read and understands the Option Plan and agrees to the terms and conditions thereof and of this Stock Option Agreement.
4. This Agreement shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein. Time shall be of the essence of this Agreement. This Agreement shall enure to the benefit of and shall be binding upon the parties and their heirs, attorneys, guardians, estate trustees, executors, trustees and administrators and the successors of the Corporation.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

CANSTAR RESOURCES INC.

Name of Optionee:

Authorized Signing Officer

Schedule "A"

ELECTION TO EXERCISE STOCK OPTIONS

TO: CANSTAR RESOURCES INC. (THE "CORPORATION")

The undersigned option holder hereby irrevocably elects to exercise options ("**Options**") granted by the Corporation to the undersigned pursuant to a Stock Option Agreement dated , 20 for the number of common shares in the capital of the Corporation ("**Common Shares**") as set forth below:

Number of Common Shares to be Acquired:

Option Exercise Price (per Common Share):

\$ _____

Aggregate Purchase Price:

\$ _____

Amount enclosed that is payable on account of withholding of tax or other required deductions relating to the exercise of the Options (contact the Corporation for details of such amount) (the "**Applicable Withholdings and Deductions**"):

\$ _____

☐ Or check here if alternative arrangements have been made with the Corporation with respect to the payment of Applicable Withholdings and Deductions;

and hereby tenders a certified cheque or bank draft for such Aggregate Purchase Price, and, if applicable, Applicable Withholdings and Deductions, and directs such Common Shares to be registered and a certificate therefore to be issued in the name of _____.

DATED this _____ day of _____, _____.

Signature

Name