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ARIANNE RESOURCES INC.

SPECIAL ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

MANAGEMENT PROXY CIRCULAR

MAY 13, 2011

NOTICE OF SPECIAL ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an Annual General Meeting (the “**Meeting**”) of the Shareholders of ARIANNE RESOURCES INC. (the “**Corporation**”) will be held at the Hotel Fairmont Queen Elizabeth, room Berinis, located at 900 Rene-Levesque West blvd, Montreal (Quebec), on June 15 2011 at 3.00 p.m. (local time), for the following purposes:

- 1^o to receive the audited financial statements of the Corporation for the year ended December 31, 2010 and the Auditor’s report thereon;
- 2^o to elect the Directors of the Corporation for the ensuing year;
- 3^o to appoint the Auditors of the Corporation, Dallaire Lapointe Inc., CA, for the ensuing year and to authorize the Directors to fix its remuneration;
- 4^o To consider and, if deemed advisable, adopt a resolution to ratify the By-Laws replacing the general by-laws of the Corporation;
- 5^o To consider and, if deemed advisable, adopt a special resolution to amend the articles of the Corporation; and
- 6^o to transact such other matters as may properly come before the Meeting and any adjournment thereof.

You have the right to receive notice of and to vote at the Meeting if you were a shareholder of the Corporation on the close of business on May 13th, 2011 (the “**Record Date**”). The accompanying Management Proxy Circular (the “**Circular**”) provides additional information relating to the matters to be dealt with at the Meeting and is deemed to be part of this Notice.

Saguenay, Quebec, May 13, 2011

BY ORDER OF THE BOARD OF DIRECTORS,

Bernard Lapointe (Signed)

CEO

THE BOARD OF DIRECTORS INVITES EACH SHAREHOLDER TO PERSONALLY ATTEND THE MEETING. IF YOU ARE UNABLE TO ATTEND THE MEETING IN PERSON, YOU MAY BE REPRESENTED BY PROXY. SUCH PROXY IS NOT REQUIRED TO BE A SHAREHOLDER TO ACT IN SUCH CAPACITY.

SHAREHOLDERS ARE REQUESTED TO COMPLETE, SIGN, DATE AND RETURN THE ACCOMPANYING PROXY FORM IN THE ENVELOPE PROVIDED AT THEIR EARLIEST CONVENIENCE. THE VOTING RIGHTS ATTACHED TO YOUR SHARES WILL BE VOTED OR WITHHELD FROM VOTING IN ACCORDANCE WITH THE INSTRUCTIONS INDICATED ON THE PROXY FORM.

ARIANNE RESOURCES INC.

(The “Corporation”)

INFORMATION CIRCULAR

May 13, 2011

SOLICITATION OF PROXIES

This Management Proxy Circular (the “**Circular**”) pertains to the solicitation, by management of the Corporation of proxies to be used at the Special Annual General Meeting of the Shareholders of the Corporation (the “**Meeting**”) which will be held on the date, at the place and for the purposes indicated in the attached notice of meeting (the “**Notice of Meeting**”) or any adjournment thereof. The Corporation is assuming the cost of this solicitation, which is being done by mail.

Shareholders who cannot attend the meeting are asked to complete the enclosed proxy form (the “Proxy Form”) and return it to Proxy department, Computershare Trust company of Canada, 100, University avenue, 9th Floor, Toronto (Ontario) M5J 2Y1, no later than the close of business on June 13th, 2011. If the shareholder is a corporation, the signature of an officer on the Proxy Form shall be duly authorized in writing.

APPOINTMENT OF PROXIES

The persons named in the attached Proxy Form are Directors of the Corporation. **Every shareholder has the right to appoint a proxy to represent him at the Meeting other than the persons whose name appears as proxies in the Proxy Form attached hereto by striking out the printed names and inserting the name of the proxy of his choice in the space provided for this purpose. A person thus appointed as a proxy need not be a shareholder of the Corporation.**

RIGHT OF REVOCATION OF PROXIES

A shareholder who grants a proxy may revoke it a any time as to any matter in respect of which a vote has not already been taken by written instrument executed by such shareholder or by his representative duly authorized in writing, or if the shareholder is a corporation, under the signature of an officer or proxy holder duly authorized in writing, and by depositing such instrument of revocation at the head office of the Corporation or at Proxy department, Computershare Trust company of Canada, 100, University avenue, 9th Floor, Toronto (Ontario) M5J 2Y1, no later than the close of business on the second business day preceding the date of the meeting (excluding Saturdays, Sundays and statutory holidays) or by delivering it to the Chairman of the said Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof.

EXERCISE OF DISCRETIONARY POWER BY PROXIES

The voting right conferred by the Common Shares (the “**Shares**”), for which a proxy is given in the Proxy Form duly signed in favour of the persons designated therein, will be exercised on any vote held at the Meeting in accordance with the instructions indicated thereon. The Directors soliciting the proxy undertake to follow the instructions given by a shareholder in the Proxy Form.

If no instructions are given that the proxy holder withhold from voting on any matters described in the Notice of Meeting, the voting rights attached to the Shares will be exercised by those persons designated in the Proxy Form and will be voted IN FAVOUR of all the matters described herein.

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

NON-REGISTERED HOLDERS

Only registered holders of Shares at the closing of business on May 13, 2011 (the “**Record Date**”), or the persons they appoint as their proxy, are permitted to attend and vote at the Meeting.

However, in many cases, Shares beneficially owned by a holder (a “**Non- Registered Holder**”) are registered either in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Holder deals with in respect of the Shares (intermediaries include banks, trust companies, securities dealers or brokers, and trustees or administrators of self-administered RRSP’s, RRIF’s, RESP’s and similar plans) or in the name of a depository (such as the Canadian Depository for Securities limited or “**CDS**”).

In accordance with Canadian securities laws, the Corporation has distributed copies of the Notice of Meeting, the Circular and the Proxy Form (collectively, the “**Meeting Materials**”) to CDS and Intermediaries for onward distribution to Non-Registered Holders.

Generally, Non-Registered Holders who have not waived the right to receive the Meeting Materials will either:

(a) be given a Proxy Form which has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Shares beneficially owned by the Non-Registered Holders but which is otherwise left in blank. Because the Intermediary has already signed the Proxy Form, this Proxy Form is not required to be signed by the Non-Registered Holders when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy Form should otherwise properly complete the Proxy Form and deposit it with the Corporation’s registrar and transfer agent; or

(b) more typically be given a voting instruction form which is signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (often called a “**Proxy Authorization Form**”) which the Intermediary must follow. Typically, the Proxy Authorisation Form will consist of a one-page pre-printed form. Sometimes, instead of the one-page pre-printed form, the Proxy Authorisation Form will consist of a regular printed Proxy Form accompanied by a page of instructions which contains a removable label containing a bar code and other information. In order for the Proxy Form to validly constitute a Proxy Authorization Form, the Non-Registered Holder must remove the label from the instructions and affix it to the Proxy Form, properly completed and sign the Proxy Form and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. If a Non-Registered Holder who receives one of the above forms wishes to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the management proxy holders printed in the accompanying Proxy Form and insert the Non-Registered

Holder's name in the blank space provided. In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy Form or Proxy Authorization Form is to be delivered.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise herein disclosed, none of the Directors, executive officers of the Corporation and none of the proposed nominees for election as a Director of the Corporation, nor any of their affiliates or associates have any material interest, directly or indirectly, by way of their beneficial ownership of the Shares or otherwise in any of the matters to be acted upon at the Meeting.

VOTING SHARES AND THEIR PRINCIPAL HOLDERS

The share capital of the Corporation is made of an unlimited number of Shares without par value. As at the date hereof, the Corporation had 64,496,193 Shares issued and outstanding.

To the knowledge of the directors and senior officers of the Company, there is no beneficial owners or persons exercising control or direction over Company shares carrying more than 10 % of the outstanding voting rights.

Each holder of Shares is entitled to vote at the Meeting or at any adjournment thereof on the basis of one vote for each Share registered in the holder's name. A transferee of Shares acquired after the Record Date shall be entitled to vote at the Meeting or any adjournment thereof, if he produces properly endorsed certificates for such Shares, or otherwise establishes that he owns such shares and has demanded not later than ten days before the Meeting that his name be included in the list of shareholders entitled to receive the Notice of Meeting prepared by the Corporation as of the Record Date.

RIGHTS ATTACHED TO THE SHARES

Besides conferring the right to one vote per Share and to attend and vote at any meeting of the shareholders of the Corporation, each Share entitles the holder thereof, on a *pari passu* basis, to receive any dividends declared, paid or set aside by the Corporation and to participate equally in any distribution of the remaining assets of the Corporation after payment of its debts, upon winding up or dissolution of the Corporation.

BUSINESS TO BE TRANSACTED AT THE MEETING

Financial Statements Presentation (*Heading no.1 of the Notice of Meeting*)

The annual report, including the financial statements of the Corporation for the financial year ended December 31, 2010 and the related auditor's report, will be presented at the Meeting. These documents are included therein.

Election of the Directors (*Heading n°2 of the Notice of Meeting*)

Under its General By-laws, the Corporation is administered by a Board of Directors (the "**Board of Directors**"). Currently, the Corporation has 6 Directors sitting on the Board of Directors. Management proposes to elect 6 Directors at the Meeting.

The mandate of each Director elected at the Meeting expires on the date of the next Annual General Meeting of Shareholders following his election or appointment or on the date when his successor is elected or appointed, unless such Director resigns or his position becomes vacant due to his death or another reason according to the By-laws of the Corporation.

The persons named in the attached Proxy Form intend to vote IN FAVOUR of the election of the nominees named below, unless the signatory shareholder of a proxy has indicated his intention to withhold from voting during the election of the Directors.

Management of the Corporation considers that none of the candidates will be unable to act as Director or no longer wishes, for any reason, to fulfill this function, but in the event of a change for any reason whatsoever before the Meeting is held, the persons mentioned in the attached Proxy Form reserve the right to vote for other candidates of their choice.

Nominees to the Board of Directors

Name, municipal address residency and present position with the Company	Main Occupation	Date on which elected director	Number of common shares owned as of May 13, 2011
Bernard Lapointe Saguenay, QC CEO and director	CEO of the Company	December 19, 2002	1,454,771
Denis Bélisle Candiac, QC Corporate Secretary and director	General Manager Legal Affairs, human resources and technical services of the Société de télédiffusion du Québec (Télé-Québec)	September 21, 2005	481,421
Luc Boivin La Baie, QC Director	Vice president, Marketing – Fromageries Boivin Inc.	September 21, 2005	18,796
Alain Vachon Candiac, QC Director	Consulting geologist	February 25, 2008	98,000
Jim Cowley Park City, Utah Director	Consultant for Ocean Partners	January 20, 2011	0
Marco Gagnon, Sorel, QC Director	CEO of Adventure Gold Inc.	February 3, 2011	8,000

Notes

The information relating to the number of Shares held or over which control is exercised has been provided by each nominee.

The mandate of the directors will expire at the next annual general meeting of the shareholders of the Corporation. The following text is a brief biography of the new persons appearing in the table above.

JIM COWLEY

M. Cowley is a trained Metallurgical Engineer ('77) with an MBA Finance ('80), and have worked in various roles from Mill Metallurgist (uranium) to Financial Manager/Business Development (molybdenum, gold and copper) to VP Sales, Marketing and Distribution (copper, gold, molybdenum, sulfuric acid) for companies such as Exxon, Climax Molybdenum (AMAX), Bond International Gold and Rio Tinto. In my most recent role with Rio Tinto, I was managing revenue streams in excess of \$2 Billion annually, and heavily involved in investment projects of up to \$350 million. I am 55, so have almost 34 years experience in the mining business. Today I am a full time consultant, and employee of Ocean Partners USA.

MARCO GAGNON

Mr. Gagnon, a graduate in geology from Université du Québec à Chicoutimi, is a senior mining exploration professional with more than 19 years experience, mostly with major mining companies. Mr. Gagnon is the President, the CEO and a director of Adventure Gold inc. since the beginning of this Montreal-based publicly-traded gold mining exploration company on the TSX Venture in 2007. Moreover, he was also one of the founders, the former President and CEO of Focus Metals Inc., an Ottawa-based mining exploration company also trading on the TSX venture. He is now a technical advisor and he is still seating on the board of director of Focus Metals. From 2004 to 2007, he was Vice-President Exploration and Acquisitions with Société d'exploration minière Vior inc., a Quebec-based mining exploration company. Prior to 2004, Mr. Gagnon acquired a vast experience in mine production and mine site and project exploration with Inmet Mining Corporation where, over a period of 10 years, he developed an expertise in designing, implementing and managing exploration programs on archean base metal and gold properties in Eastern Canada and in Finland. Prior to Inmet, he was employed by Barrick Gold, Minnova and Radisson Mining Resources. Mr. Gagnon was President of the Quebec Mining Exploration Association from 2007 to 2009 and still seat on the board of directors.

Appointment of the Auditors (*Heading n°3 of the Notice of Meeting*)

Dallaire & Lapointe Inc., Chartered Accountants is the auditor of the Corporation. **The persons mentioned in the attached Proxy Form intend to vote IN FAVOUR of the appointment of Dallaire & Lapointe Inc., Chartered Accountants as auditor of the Corporation at the Meeting** and to authorize the Directors to determine its compensation, unless the signatory shareholder of the proxy has indicated his intention to withhold form voting on the appointment of the auditors.

Ratification of the By-Laws (*Heading n° 4 of the Notice of Meeting*)

In Québec, the new *Québec Corporations Act* (the “**QBCA**”) came into force on February 14, 2011. Such act deeply reforms the law for corporations governed by the *Companies Act* (Québec) (the “**QCA**”). A new legislation called *An Act respecting the legal publicity of enterprises* (the “**ARLP**”) also came into force at the same time. Since February 14, 2011, the Corporation ceased to be governed by the QCA and is now governed by the QBCA.

Pursuant to the QBCA, a “company” becomes a “corporation”, the “general by-laws” become the “by-laws” and the amendment of articles is no longer made pursuant to a by-law but by a special resolution of shareholders. Under the ARLP, an “annual declaration” becomes an annual “updating declaration” and an “amending declaration” becomes a punctual “updating declaration”.

Also, many differences between the provisions of the QBCA and those of the QCA have an impact on the content of the current general by-laws of the Corporation, including namely:

- (a) the update of a shareholders list that must not be more than 10 days old and, upon request, the daily update of such list;
- (b) the possibility of the issuance of shares without certificate while the QCA requires the issuance of a certificate;
- (c) the books of the Corporation may be kept outside of its head office, which is not permitted by the QCA;
- (d) the fact that shareholders may propose the adoption of a by-law affecting the By-laws without the approval of the directors, which is contrary to the QCA; and
- (e) the indemnity provisions for directors acting in good faith, if they are sued, are more generous than those of the QCA.

The Board has concluded that the amendment, section by section, of the general by-laws of the Corporation to harmonize them with the QBCA would have proven to be a lengthy and expensive operation and has thus decided to adopt new By-laws to ensure a transition without risks of errors or omissions.

The Board has adopted on May 13, 2011 the new By-laws, a translation is attached as Schedule B hereto, and the shareholders must ratify such By-laws.

Consequently, the shareholders will be asked to adopt the following resolution:

*“**BE IT RESOLVED** to approve, confirm and ratify the By-laws of the Corporation, a translation of which is attached as Schedule B to the Management Proxy Circular of the Corporation dated May 13, 2011.”*

The persons named in the accompanying proxy form intend to vote in favour of the resolution ratifying the By-laws unless the shareholder signing the proxy has indicated his/her intention to vote against it.

Amendment of the Articles of the Corporation (*Heading n° 5 of the Notice of Meeting*)

The QBCA contains many new provisions, including one that provides that the directors may, if the articles so provide, appoint one or more additional directors who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders (section 153 of the QBCA).

The Board considers that it is in the best interest of the Corporation to amend the articles of the Corporation to benefit from the provisions described above.

Consequently, the shareholders will be asked to adopt the following special resolution:

“BE IT RESOLVED

(a) *To amend the articles of the Corporation by the addition of the following provision:*

“The directors may appoint one or more additional directors who shall hold office for a term expiring not later than the close of the next annual meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual meeting of shareholders.”

(b) *To file in due course with the applicable authorities articles of amendment to attest such change;*

(c) *To authorize the directors of the Corporation to revoke this resolution prior to giving it effect; and*

(d) *To authorize any officer of the Corporation to execute, for and on behalf of the Corporation, articles of amendment attesting such change, and all other necessary documents to give effect to this resolution and to file in due course such articles of amendment with the applicable authorities.”*

To be valid, the special resolution must be adopted by the favourable vote of at least two-thirds (66⅔) of the votes represented at the Meeting, either in person or by proxy.

The persons named in the accompanying proxy form intend to vote in favour of the special resolution approving the amendment to the articles unless the shareholder signing the proxy has indicated his/her intention to vote against it.

COMPENSATION OF DIRECTORS AND SENIOR OFFICERS

During the fiscal year ended December 31, 2010, the Corporation had 5 senior executive officers. An aggregate amount of \$407,500 (including all personal benefits) was paid to the 5 senior executive officers (the “**Named Executive Officers**”) by the Corporation during the fiscal year ended December 31, 2010,

Compensation Discussion and Analysis

The executive compensation policy of the Corporation is designed to offer competitive compensation enabling the Corporation to attract and retain qualified, high-calibre staff. It will seek to motivate executive officers to exceed strategic objectives so as to maximize the long-term return on shareholders' investment.

These strategic objectives that guide management and directors can be summarized as follows :

- Discovery of new mineralized zones
- Definition of mineral resources
- Acquisition of new mining properties that meets objectives
- Signature of partnership agreements
- Completion of financings that secure the continuation of the mission.

Components of Aggregate Compensation

The aggregate compensation of the Named Executive Officers currently consists of one or more of the following elements:

- (a) a base monetary compensation which is competitive;
- (b) option grants designed to attract experienced personnel and encourage them to promote the Corporation's interests and activities to the best of their knowledge; and

Base Compensation

The process of establishing the base monetary compensation of the Named Executive Officers is simple and is based on competitive salaries for positions of similar responsibilities in the mining industry. The Board of Directors decides if adjustments are required.

Incentive compensation

Option grants are designed to attract and retain key personnel. Option grants to Beneficiaries are established by the Board of Directors on a continuous basis, based on the progress of the Corporation.

Compensation of the President and Chief Executive Officer

The remuneration of the Chief Executive Officer, as indicated above, is a simple process and is based on competitive salaries for positions of similar responsibilities in the mining industry. The Board of Directors must make sure that the compensation is competitive in order to retain the Corporation's key personnel.

Executive Officers Summary Compensation Table

Name and principal occupation	Year	Salary (\$)	Share - based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation ⁽¹⁾ (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans		
Bernard Lapointe CEO	2010	-	-	101,175	-	-	125,000	226,175
	2009	-	-	2,250	-	-	115,000 ⁽²⁾	117,250
	2008	-	-	0	-	-	115,000 ⁽²⁾	115,000
Lucie Hébert CFO	2010	-	-	38,490	-	-	63,875	102,365
	2009	-	-	2,250	-	-	50,500	52,750
	2008	-	-	0	-	-	10,500	10,500

(1) Management fees are paid to companies controlled by the officers

(2) Management exploration fees of \$91,000 are included in this amount

During the year ended December 31, 2010, the Corporation did not pay any other form of compensation to the Directors.

No Director or member of senior management or officer of the Corporation is indebted to the Corporation for the year ended December 31, 2010.

Incentive Plan Awards

Outstanding share-based awards and option-based awards

As of the date of the Circular the Directors and executive officer of the Corporation held the following number of options:

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Bernard Lapointe	245,000	0.15	April 15, 2020	269,500	-	-
	260,000	0.15	June 24, 2020	286,000	-	-
	100,000	0.37	January 19, 2021	88,000	-	-
Lucie Hébert	20,000	0.15	April 15, 2020	22,000	-	-
	100,000	0.15	June 24, 2020	110,000	-	-
	75,000	1.25	May 12, 2021	0	-	-
Denis Bélisle	125,000	0.15	June 24, 2020	137,500	-	-
	100,000	0.37	January 19, 2021	88,000	-	-

Option-based Awards					Share-based Awards	
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Daniel Boulianne	60,000	0.15	April 15, 2020	66,000	-	-
	85,000	0.15	June 24, 2020	93,500	-	-
	75,000	1.25	May 12, 2021	0	-	-
Nadège Tollari	50,000	0.15	April 15, 2020	55,000	-	-
	50,000	0.14	August 5, 2020	55,000	-	-
	75,000	1.25	May 12, 2021	0	-	-
Luc Boivin	170,000	0.15	April 15, 2020	187,000	-	-
	85,000	0.15	June 24, 2020	93,500	-	-
	50,000	0.14	August 5, 2020	53,500	-	-
	100,000	0.37	January 19 2021	88,000	-	-
Jim Cowley	200,000	0.37	January 19, 2021	176,000		
Marco Gagnon	150,000	0.58	February 2, 2021	100,500	-	-
	50,000	1.25	May 12, 2021	0	-	-
Alain Vachon	130,000	0.15	April 15, 2020	143,000	-	-
	85,000	0.15	June 24, 2020	93,500	-	-
	50,000	0.14	August 5, 2020	55,500	-	-
	100,000	0.37	January 19, 2021	88,000	-	-
Employees and Consultants hold an additional 570,000 options						

Stock Option Plan

The Company Stock Option Plan (the “**Stock Option Plan**”) for its officers, Directors, employees and consultants (the “**Beneficiaries**”) that allows them to participate in the Company’s growth and development, has 6,400,000 shares available for grants. Since the Company is designated as a « Tier 2 » according to the criteria of the TSX-V, it must comply with the regulatory framework of Policy 4.4 regarding stock options.

Options are not transferable and are valid for 10 years from the date of grant. The exercise price per common share is fixed by the board of directors but cannot be less than the closing price of the shares the day before the grant. Option holders that are no longer eligible to the stock option plan can keep their stock options for a period of 12 months following the date of their departure.

Securities that can be issued as part of the Corporation's Stock option Plan, as of now

Category of the Plan	Number of securities that has to be issued with the exercise of the options	Weighted average exercise price of the options	Securities remaining to be issued as part of the Stock option Plan
Stock option Plan approved by the shareholders	3,160,000	\$0.14	3,240,000
Stock option Plan not approved by the shareholders	N/A	N/A	N/A
Total	3,160,000	-	3,240,000

Termination of Employment, Change in Responsibilities and Employment Contracts

The employment contracts do not include provisions regarding severance payment to be paid to each of them in the event of termination of employment.

Remuneration of Directors

The Directors of the Corporation do not receive any compensation for the services rendered in such capacity. Directors of the Corporation who are also employees do not receive any additional remuneration for services rendered in such capacity.

Liability Insurance

The Corporation subscribes to an insurance on behalf of its Directors and officers to cover for potential liabilities incurred in connection with their services to the Corporation. The coverage is for \$1,000,000 per insurance period, with a cost is \$8,752 per year.

Interest of informed persons in material operations

None of the insiders of the Corporation, the proposed nominees for election as Director, or any of their respective associates or affiliates, has any material interest, direct or indirect, in any material transaction since the beginning of the Corporation's most recently completed financial year, or in any proposed material transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name	Independence ⁽¹⁾	Financial Literacy ⁽²⁾
Jim Cowley	Independent	Financially Literate
Marco Boivin	Independent	Financially Literate
Luc Boivin	Independent	Financially Literate

- (1) Pursuant to MI 52-110, an audit committee member is independent if he or she has no direct or indirect “material relationship”; (as such term is defined in MI 52-110) with the issuer.
- (2) Pursuant to MI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation’s external auditors during the financial years ended December 31, 2010 and 2009 were as follows:

Financial Year Ended December 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2010	\$26,705	-	\$2,365	-
2009	\$28,150	-	\$1,990	\$505

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

National Instrument 58-101 – Disclosure of Corporate Governance Practices (**NI 58-101**) enacted by the Canadian Securities Administrators provides for greater transparency regarding corporate governance practices. As the Corporation is a venture issuer, it is required to describe its position with regard to the matter contained in the Form 58-101F2 of NI-58-101.

1. Board of Directors

Disclose how the board of directors (the “board”) facilitates its exercise of independent supervision over management, including (i) the identity of directors who are independent, and (ii) the identity of directors who are not independent, and the basis for that determination. If the disclosure is included in a management information circular distributed to security holders of the issuer for the purpose of electing directors to the issuer’s board of directors, provide disclosure regarding the existing directors and any proposed directors.

Pursuant to NI 58-101, in a jurisdiction other than British Columbia, a director is independent if he or she would be independent within the meaning of section 1.4 of MI 52-110 on the Audit Committee, i.e. if he or she has no direct or indirect material relationship with the issuer, that is, a material relationship which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of a committee member’s independent judgment or a relationship with the issuer which is one of those described in same section. In British Columbia, a director is independent if (a) a reasonable person with knowledge of all the relevant circumstances would conclude that the director is independent of management of the issuer and of any significant security holder, or (b) the issuer is a reporting issuer in a jurisdiction other than British Columbia, and the director is independent under subsection 1.2(1) on Meaning of Independence of NI-58-101.

The Board is constituted of a majority of individuals who qualify as independent directors since, of the six (6) current directors, four (4) are unrelated to the Corporation. Mr. Alain Vachon, Luc Boivin, Marco Gagnon and Jim Cowley are deemed “independent” since in the Board’s opinion, they are unrelated to management and free of all interests, business dealings or other relationships, which could or could conceivably be perceived as being able to significantly interfere with the ability of such directors to act in the best interests of the Corporation, other than the interest and relationship that arises from stock ownership.

Mr. Bernard Lapointe and Denis Bélisle are deemed directors who are “not independent” since they are part of the senior management.

2. Directorships

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a Canadian or foreign jurisdiction, identify both the director and the other issuer. If the disclosure is included in a management information circular distributed to security holders of the issuer for the purpose of electing directors to the issuer’s board of directors, provide disclosure regarding the existing directors and any proposed directors.

Mr. Denis Bélisle is also a director of Vantex Resources Ltd. And Mr. Marco Gagnon is CEO of Adventure Gold Inc. and director of Focus Metals Inc. which are reporting issuers in the Provinces of Quebec, Alberta and British Columbia and whose shares are listed on the TSX Venture Exchange.

3. Orientation and Continuing Education

Describe what steps, if any, the board takes to orient new board members, and describe any measures the board takes to provide continuing education for directors.

The directors shall keep up to date and shall receive copies of all the necessary and latest information during meetings of the Boards of Directors, the Audit Committee and the Human Resources and Corporate Governance Committee. On account of the limited number of directors and the venture nature of the Corporation, no formal training system has been created.

4. Ethical Business Conduct

Describe what steps, if any, the board takes to encourage and promote a culture of ethical business conduct.

The Board of Directors acknowledges that it shall take on the responsibility of overseeing the competent and ethical operation of the Corporation. In order to guarantee that the directors exercise their judgment in an independent fashion when examining operations and contracts in which a director or a member of senior management has a significant interest, such transactions shall be reviewed and approved only by directors assembled together in a committee of the Board, where the director who has such an interest shall refrain from participating in the discussions and from voting on the matter. In addition, the Corporation shall take steps to ensure that directors do not undertake any transactions involving the Corporation’s stock when important information is about to be communicated.

5. Nomination of Directors

Disclose what steps, if any, are taken to identify new candidates for board nomination, including (i) who identifies new candidates, and (ii) the process of identifying new candidates.

The President of the Corporation shall propose qualified candidates to fill vacant positions on the Board of Directors to the Human Resources and Corporate Governance Committee.

If a candidate is endorsed by the Human Resources and Corporate Governance Committee, the latter’s name shall then be submitted to the Board of Directors for approval. The Human Resources and Corporate Governance Committee is composed of a majority of independent directors: Mr. Alain Vachon (independent), Mr. Luc Boivin (independent) and Mr. Denis Bélisle (non independent).

6. Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including (i) who determines compensation, and (ii) the process of determining compensation.

The Human Resources and Corporate Governance Committee shall regularly assess the compensation policies in view of practices in the marketplace, the practices and risks typical of the industry and the inherent responsibilities of being an effective director. The Corporation's main activity is mining exploration and, at the present time, it is not generating any profits. In order to determine the compensation of the directors and the CEO, the Board of Directors shall notably take into account the contribution made by each person to the Corporation, the financial resources available to the Corporation and the compensation given to people occupying similar positions in comparable Canadian companies. To date, the Corporation's directors have not received any compensation in cash for the services they have rendered in their capacity as directors.

7. Other Board Committee

If the board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

Apart from the Audit Committee and the Human Resources and Corporate Governance Committee, the Board has not other committee.

8. Assessments

Disclose what steps, if any, that the board takes to satisfy itself that the board, its committees, and its individual directors are performing effectively.

The informal mechanism has been implemented by the Human Resources and Corporate Governance Committee to evaluate the contribution and performance of the Board, of each of the Board's Committees and of each director of the Corporation. This Committee is currently composed of the following directors: Mr. Alain Vachon, Mr. Luc Boivin and Mr. Denis Bélisle.

MANAGEMENT CONTRACTS

There are no management functions of the Corporation or any of its subsidiaries which are to any substantial degree performed by a person or a company other than the Directors or Executive Officers of the Corporation or any of its subsidiaries.

OTHER BUSINESS ON THE AGENDA

Management of the Corporation has no knowledge of any changes regarding the items described in the enclosed Notice of Meeting nor of any other business which could be submitted to the Meeting, except for those items mentioned in the Notice of Meeting. However, if any change or other business is validly brought before the Meeting, the attached Proxy Form confers a discretionary power on the persons designated therein to vote as they see fit on the changes regarding any such items mentioned in the Notice of Meeting or on any other business.

SHAREHOLDERS PROPOSALS

Any shareholder who wishes to submit a proposal to the Meeting must send this proposal to the Corporation before the prescribed expiration date so that it can be integrated into the Circulars with a view to such Meeting.

ADDITIONAL INFORMATION

The Corporation financial information is included in the Financials Statements of the Corporation and notes thereto and in the accompanying Management's Discussion and Analysis for the fiscal year ended December 31, 2010. Copies of these documents and additional information concerning the Corporation can be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com and may also be obtained upon request to the secretary of the Corporation.

APPROVAL

The Board of Directors of the Corporation has approved the contents of the Circular and its transmittal to the shareholders.

Dated this 13th day of May, 2011

Bernard Lapointe (Signed)

CEO

SCHEDULE A

CHARTER OF THE AUDIT COMMITTEE

Purpose

The audit committee is a standing committee of the board of directors. Its primary duty is to assist the board of directors in fulfilling its supervisory role with regard to the following:

1. The completeness of the financial statements and the information provided to shareholders and to other persons concerned.
2. The Corporation's compliance with financial regulatory requirements.
3. The accuracy and effectiveness of the internal control mechanisms implemented and maintained by management.
4. The competency, independence and performance of the external auditor who must report to the audit committee, to the board of directors and to the shareholders.

Composition

The audit committee is comprised of at least three directors, including one chairman, who are named by the board of directors every year after the annual meeting. The majority of the committee members must not be officers or other employee of the Corporation or of an affiliate.

Each committee member must meet the requirements in matters of independence, financial knowledge and experience, the requirements of the applicable laws that govern the Corporation and the rules of the Stock Exchanges on which the Corporation's shares are listed as well as the requirements of competent securities authorities.

The board of directors may, at any time, terminate a committee member's duties or replace him or her and it must fill vacant positions on the committee.

Structure and functioning

The chairman of the board, the chairman of the committee or two members of the committee may call a committee meeting at any time. The committee meets as required but not less than four times per year. *Quorum* is reached where two members are present at committee meetings, irrespective of their status, and the composition thereof must comply with the requirements of the *Canada Business Corporations Act*.

The chairman of the committee, in cooperation with the chairman of the board, draws up the agenda for each committee meeting taking into account the items appearing in the committee's activity program which is approved each year by the board of directors. At each meeting, the committee may also sit privately with only the committee members in attendance. The committee may retain the services of special consultants, where it deems it expedient, at the expense of the Corporation.

The chairman of the committee or the person appointed by him or her submits a committee activity report to the board of directors after each meeting and makes recommendations to the board of directors regarding issues that require board approval.

Each year, the committee reviews this charter and the items appearing in the committee activity program and, where necessary, recommends changes to the board of directors so that it will approve them. The committee will prepare a report to be attached to the proxy documents regarding the annual meeting. Together with the board of directors, the committee evaluates and considers the committee's annual performance.

Duties and responsibilities of the audit committee and review

1. Review the unaudited interim financial statements and management's analysis of the financial situation and operating results with management and the external auditors by addressing, in particular, with the external auditors, questions that must be the subject matter of discussion pursuant to the generally accepted auditing standards that apply to the Corporation.
2. Review the press releases announcing the Corporation's financial results.
3. Review with management and the external auditors, after completion of the annual audit:
 - (a) the audited annual financial statements;
 - (b) the audit of the annual financial statements made by the external auditor as well as the latter's report thereon;
 - (c) management's analysis of the financial situation and operating results;
 - (d) any material change that had to be made to the external audit plan;
 - (e) any material question brought to management's attention during the audit, including any restriction on the scope of activities or access to information;
 - (f) any question related to the performance of the audit that must be the subject matter of discussion pursuant to the generally accepted auditing standards that apply to the Corporation.
4. Ensure that the external auditor is convinced that judgment and accounting estimates made by management as well as the accounting principles chosen by management reflect the adequate application of generally accepted accounting principles.
5. Review the Corporation's main accounting policies and methods with management and the external auditor.
6. Ensure the independence of the external auditor, given the requirements in respect thereto provided by the laws governing the Corporation and by the applicable rules of the Stock Exchanges on which the Corporation's shares are listed. At least once a year, the external auditor submits a written statement to the committee outlining all its relations with the Corporation; the committee reviews it with him or her and, where necessary, recommends that the board take the requisite measures to ensure the independence of the external auditors and their responsibility toward the committee and the board.
7. Evaluate the performance of the external auditor and recommend to the board the appointment or, where it deems it expedient, the replacement of the external auditor subject to shareholder approval.
8. Consider, review and approve the services offered by the external auditor and the fees to be paid to the external auditors with regard to the audit, to the related services rendered and to other services that are provided for by law and that comply with the guidelines established by the board limiting the recourse to the services of the external auditor.

9. Review with the external auditor and management the general scope of the annual audit plan and the resources that the external auditor will devote to the audit.
10. Require that management implement and maintain appropriate internal control mechanisms and review, evaluate and approve such mechanisms.
11. Review and discuss with the chief executive officer and chief financial officer the certificates related to the communication of the financial information and to the controls which such officers must file with securities authorities pursuant to the law.
12. Discuss the qualifications required to be a financial expert and determine if a committee member is a financial expert and ensure that the committee members have the financial knowledge.
13. Approve the methods established to deal with complaints, including anonymous complaints made by employees, regarding issues related to accounting, internal control and audit.
14. Review the Corporation's practices to ensure that any transaction made with affiliates and likely to adversely affect the solvency or the stability of the Corporation is identified.
15. Perform the other duties or exercise the powers that the board may, on a timely basis, entrust or assign to the committee as well as any other duty which the law, regulations or the applicable rules of the Stock Exchanges might impose on an audit committee.

SCHEDULE B

BY-LAWS

(TRANSLATION)

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ARIANNE RESOURCES INC.
BY-LAWS

SECTION 1 – DEFINITIONS AND INTERPRETATION

1.1 *Definitions*

Except in the case of an express provision to the contrary or where the context otherwise requires, in these By-laws, the following shall apply:

- 1.1.1 “**Act**” means the *Business Corporations Act* (Quebec) (2009, chapter 52), as amended from time to time;
- 1.1.2 “**Affiliates**” means legal persons one of whom is a subsidiary of the other, or legal persons who are controlled by the same person;
- 1.1.3 “**Board**” means the board of directors of the Corporation;
- 1.1.4 “**By-laws**” means this by-law as amended from time to time;
- 1.1.5 “**Directors**” means the Board;
- 1.1.6 “**Enterprise Registrar**” means the public official appointed as such by the *Legal Publicity Act*;
- 1.1.7 “**Financial Statements**” means the audited financial statements of the Corporation which include, *inter alia*, a balance sheet, an income and comprehensive income statement, a retained earnings statement, a cash flow statement and the notes to the balance sheet;
- 1.1.8 “**Group**” means any legal person or any group of persons or properties;
- 1.1.9 “*Legal Publicity Act*” means the *Act respecting the legal publicity of enterprises* (Quebec) (2010, chapter 7);
- 1.1.10 “**Officer**” means an officer within the meaning of the Act.

1.2 *Definitions of the Act*

Subject to the foregoing, the definitions provided by the Act apply to the provisions of these By-laws.

1.3 *Rules of interpretation*

Words in the singular include the plural and *vice versa*, those in the masculine gender include the feminine and *vice versa*, and the provisions applicable to physical persons also govern legal persons, partnerships and other unincorporated bodies.

1.4 *Discretion*

When the By-laws confer a discretionary power to the Directors, they may exercise the power as and when they deem fit in the best interests of the Corporation.

1.5 *Enactment of By-laws*

1.5.1 The Directors may enact By-laws which are not contrary to the Act or the articles of the Corporation in order to amend this By-law or adopt a new by-law. Any such amendment is effective immediately. However:

1. by-law amendments relating to procedural matters with respect to shareholders meetings take effect only once they have received shareholder approval;
2. any new by-law made by the Board that has substantially the same purpose or effect as a by-law previously rejected by or not submitted to the shareholders at the meeting is not effective until confirmed by the shareholders.

1.5.2 A by-law adopted by the shareholders on a shareholder proposal submitted in accordance with the Act is effective as of its adoption and requires no other approval. It may only be repealed with the approval of the shareholders.

1.5.3 The provisions of this **subsection 1.5** apply, with the necessary modifications and subject to the By-laws, to the amendment or repeal of By-laws.

1.6 *Priority*

In the event of incompatibility between the Act, the articles or the By-laws,

- 1.6.1 the Act shall prevail over the articles and the By-laws, and
- 1.6.2 the articles shall prevail over the By-laws.

1.7 *Headings, Notices and Formal Notices*

1.7.1 The headings used in the By-laws are for ease of reference only and shall not be considered when interpreting the By-laws.

1.7.2 Unless explicitly stated to the contrary, any notice or formal notice must be given in writing.

SECTION 2 – HEAD OFFICE AND OTHER OFFICES

2.1 *Address of Head Office*

The address of the head office of the Corporation is specified in the form entitled AVIS DES ADMINISTRATEURS/AVIS DU SIEGE – or in the initial declaration – filed with the articles.

2.2 *Change of Address of Head Office*

- 2.2.1 The Corporation may, by a resolution of its Board, relocate its head office within the judicial district in which it is located.
- 2.2.2 The Corporation may, by special resolution, relocate its head office to another judicial district in Quebec.
- 2.2.3 The Corporation must declare to the Enterprise Registrar any such relocation in accordance with the *Legal Publicity Act*.

2.3 *Offices*

The Corporation may set up offices in Quebec or elsewhere as and when the Directors decide by resolution.

SECTION 3 – MEETINGS OF SHAREHOLDERS

3.1 *Annual Meetings*

- 3.1.1 The annual meeting of the shareholders entitled to vote at such meeting shall be held at a date fixed by the Board not later than 15 months after the last preceding annual shareholders meeting.
- 3.1.2 The Board calls the annual shareholders meeting. Otherwise, the meeting may be called by the shareholders in accordance with **paragraph 3.2.2**.
- 3.1.3 This meeting shall be held at the head office of the Corporation, or at any other place in Quebec determined by the Directors, for the purpose of presenting the financial statements of the Corporation for the fiscal year ended not more than six months before the meeting and the auditor's report thereon, receiving the Directors' report, electing the Directors, appointing the auditor and fixing his or her remuneration. As soon as the financial statements are presented at the annual meeting, every shareholder is entitled to a copy upon request.
- 3.1.4 The notice of a shareholders meeting must be sent to each shareholder entitled to vote at the meeting and to each Director.
- 3.1.5 If a Director or a shareholder entitled to vote at a shareholders meeting gives written notice not less than 10 days before the meeting to the auditor or a former auditor of the Corporation, the auditor or former auditor attends the meeting at the Corporation's expense and answers any question relating to their duties as auditor.

3.2 *Special Meetings*

Special meetings of shareholders may be called and held at any time and at any place in Quebec and for any purpose,

- 3.2.1 by order of the Board, of the President of the Corporation or of a majority of Directors; or
- 3.2.2 at the written requisition of a holder or holders holding a minimum of 10% of the issued and outstanding shares of the Corporation carrying the right to vote at the meeting, or at the requisition of such shareholders in accordance with sections 208 to 211 of the Act, provided that, in each case, a notice be given as required by the provisions of **subsection 3.4**; or
- 3.2.3 at the requisition of any shareholder of record entitled to vote, if by reason of vacancies, the number of Directors in office is less than the quorum, provided that notice be given as required by the provisions of **subsection 3.4**; or
- 3.2.4 without notice, if all the shareholders of record entitled to vote are present in person or by proxy.

3.3 *Meetings Outside Québec*

Notwithstanding **subsections 3.1** and **3.2**, a meeting of shareholders may be held outside Québec if the articles so allow or if all the shareholders entitled to vote at that meeting so agree.

3.4 *Notice of Meetings*

- 3.4.1 Subject to the provisions of **subsections 3.2** and **3.3**, written notice of the date, time, place and agenda of any meeting of shareholders shall be given to each shareholder of record entitled to vote at such meeting. This notice may be sent to them by mail, in a prepaid letter, or by fax, by e-mail or by bailiff, to their last known residential or workplace address. In all cases, the delay shall not be less than 21 clear days nor more than 60 clear days before the date of the meeting. Such notice shall be given by the Secretary or by such other Officer as the Directors may designate, or by the person calling the meeting. It need not be signed manually.

- 3.4.2 Notices concerning shares held by more than one person will be addressed to the person whose name stands first in the register as one of such joint holders. A notice so given shall be valid as to all joint holders.
- 3.4.3 Any person acquiring shares after the sending of the notice of meeting is bound by the notice addressed to the shareholder from whom such shares were acquired.
- 3.4.4 Any notice given to a shareholder is deemed to have been regularly given, even though such shareholder be deceased and even if notification of such event has been made to the Corporation, whether the shares were held by him alone or jointly with some other person or persons. The validity of such notice cannot be contested by the heirs, executors or mandataries of such shareholder or by any other person having an interest in these shares.
- 3.4.5 Whenever notices or documents must be sent to a shareholder and have been mailed to his last known residential or workplace address and have been three times returned by Canada Post as non-deliverable, the Corporation is no longer bound to send him notices or documents until such time as it receives notice of the shareholder's new address.

3.5 *Notices of Meetings/Record Date*

- 3.5.1 The shareholders may in advance fix a record date for the purpose of determining shareholders entitled:
3. to receive dividends;
 4. to participate in the remaining property of the Corporation following its liquidation;
 5. to vote at a meeting;
 6. for any other purpose.
- 3.5.2 The record date is set and notice thereof is given in conformity with the requirements of the regulations applicable as regards securities.

3.6 *Content of Notice*

The notice of meeting must state the business on the agenda. It is sent with a proxy circular and a form of proxy, the whole as prescribed by the regulations applicable as regards securities.

3.7 *Omission to Give Notice*

The accidental omission to give notice of any meeting to, or the non-receipt of such notice by any shareholder, shall not invalidate any resolution passed or any proceedings executed at such meeting.

3.8 *Incomplete Notice*

The accidental omission to mention in the notice of a special or annual meeting any business required by the Act or by these By-laws to be transacted at such meeting, shall not preclude the meeting from validly transacting such business.

3.9 *Waiver of Notice*

Notice of any meeting or any irregularity in any meeting or in any notice thereof may, either before or after such meeting, be waived by any shareholder or by the duly appointed proxy of any shareholder. The attendance of a shareholder at any meeting, either in person or by proxy, shall constitute a waiver of notice of the meeting except where such shareholder or such person attends the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called or held.

3.10 *Quorum*

Two individuals, whether shareholders or proxyholders, personally present and representing personally or by proxy 5 % of the issued and outstanding shares of the Corporation carrying the right to vote at the meeting, shall constitute the necessary quorum for the transaction of business at any meeting of shareholders.

3.11 *Attendance at a Meeting by Electronic Means*

3.11.1 If the Directors so allow by resolution:

7. any person entitled to attend a meeting of shareholders may participate in the meeting by means of equipment enabling all participants to communicate directly with one another during the meeting. A person participating in a meeting by such means is deemed to be present at the meeting;
8. a shareholders meeting may be held solely by means of equipment enabling all participants to communicate directly with one another.

3.11.2 Any shareholder participating in a shareholders meeting by means of equipment enabling all participants to communicate directly with one another may vote by any means enabling votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote when a secret ballot has been requested.

3.12 *Permanency of Quorum*

If a quorum is present at the opening of a meeting of shareholders, the meeting may be validly held notwithstanding that the quorum is not present throughout the meeting.

3.13 *Adjournment*

Whether or not a quorum is present, a meeting of shareholders may be adjourned from time to time by the vote of the majority of shareholders then personally present or represented by proxy. Any such adjourned meeting may be held on the date and at the place and time fixed and announced at the original meeting by such shareholders, without further notice if a quorum is present. If a quorum is not present, a written notice of at least 10 clear days shall be given of the date, place and time of the adjourned meeting. At any such adjourned meeting at which a quorum is present, any business that might have been transacted at the meeting before the adjournment may then be transacted. If there is no quorum at the adjourned meeting, the original meeting shall be deemed to have terminated immediately after the adjournment.

3.14 *Votes and Qualification*

3.14.1 Except as otherwise provided in the Act, in the articles or in this By-law, each share entitles the holder thereof to one vote at a meeting of shareholders.

3.14.2 The shareholders of record entitled to vote at any meeting of shareholders and the number of shares carrying the right to vote held by them, respectively, shall be determined according to the Corporation's securities register of such voting shares at the record date.

3.14.3 If two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares. But if two or more of those persons are present, in person or by proxy, they shall vote as one on the shares jointly held by them.

3.15 *Proxy*

3.15.1 Votes may be given either personally by the shareholder or by his or her proxyholder. Any person, whether or not a shareholder of the corporation, may be appointed a proxyholder.

- 3.15.2 Except as otherwise mentioned in the notice calling the meeting, such proxy shall be filed with the Secretary of the Corporation before the meeting is held or with the secretary of the meeting at such meeting.
- 3.15.3 A natural person authorized by a resolution of the board of Directors or of the management of a shareholder who is a legal person or a Group may participate in and vote at a shareholders meeting.
- 3.15.4 A person acting for a shareholder as administrator of the property of others may participate in and vote at a shareholders meeting.

3.16 *Chair of the Meeting*

- 3.16.1 Any person appointed by the Board shall preside meetings of shareholders.
- 3.16.2 If the designated person is unable or refuses to act as chair, the President of the Corporation shall preside the meeting. If he is unable or refuses to act as chair, a shareholder who is also a Vice-President of the Corporation, or in the absence of a Vice-President holding such qualifications, a shareholder elected by the meeting shall preside.

3.17 *Secretary of the Meeting*

The Secretary of the Corporation, or in his or her absence, an Assistant-Secretary, or in their absence, a person appointed by the chair of the meeting shall act as secretary.

3.18 *Scrutineers*

The chair of a meeting of shareholders may appoint one or more persons to act thereat as scrutineers.

3.19 *Proceedings of Meetings*

The chair of the meeting of shareholders shall direct the proceedings and oversee the due dispatch of the meeting. He determines the rules of procedure in a reasonable and impartial manner in accordance with the customary rules of meetings. He decides all matters. His or her decisions are final and bind the shareholders unless they are reversed by a show of hands of two-thirds of the votes cast on the matter. In this latter case, the provisions of **paragraph 3.21**.

3.20 *Determination of Matters*

Unless otherwise provided by the Act, the articles or the By-laws of the Corporation, any matters brought before a meeting of shareholders shall be decided by a majority of the votes validly cast thereon and, in case of an equality of votes, the chair of the meeting shall be entitled to a second or casting vote.

3.21 *Show of Hands*

- 3.21.1 Except as otherwise provided by the Act, the articles or any By-law of the Corporation, unless a ballot is demanded, voting shall be by show of hands. At a shareholders meeting, unless a vote is demanded, a declaration by the chair of the meeting that a resolution of the shareholders has been carried and that an entry to that effect has been made in the minutes of the meeting is, in the absence of any evidence to the contrary, proof of that fact, without it being necessary to prove the number or proportion of the votes recorded for and against the resolution.
- 3.21.2 A proxyholder has the same rights as the shareholder represented to speak at a shareholders meeting in respect of any matter and to vote at the meeting. However, a proxyholder who has conflicting instructions from more than one shareholder may not vote by a show of hands.

3.22 *Vote by Ballot*

- 3.22.1 A shareholder entitled to vote or a proxyholder may demand a ballot either before or after the vote by a show of hands. The shareholder or the proxyholder hands the scrutineers a ballot on which he inscribes his name and his vote.
- 3.22.2 A corporation must, for at least three months after a shareholders meeting, keep at its head office the ballots cast and the proxies presented at the meeting.
- 3.22.3 Any shareholder or proxyholder who was entitled to vote at the meeting may, without charge, inspect the ballots and proxies kept by the corporation.

3.23 *Meetings of Holders of Non-Voting Shares*

In cases where the Act provides that the holders of non-voting shares of a class or series are entitled to vote in spite of the fact that such shares do not usually confer the right to vote, the above provisions relating to meetings of shareholders shall apply with the necessary modifications.

3.24 *One Shareholder Meeting*

If the Corporation has only one shareholder, or only one holder of any class or series of shares, the shareholder present in person or by proxy shall constitute the quorum and the meeting. A resolution in writing signed by the sole shareholder of the Corporation or by all the shareholders entitled to vote on the resolution is as valid as if it had been passed at a shareholders meeting. The resolution must be kept with the minutes of the shareholders meeting.

3.25 *Shareholder Proposals*

- 3.25.1 Any holder or beneficiary of voting shares may submit to the Board notice of any matter the person proposes to raise at an annual shareholders meeting.
- 3.25.2 The number of proposals presented by a person for a meeting may not exceed the number prescribed by government regulation.
- 3.25.3 The provisions of sections 194 to 206 of the Act and the government regulations relating to such proposals apply to their submission.

SECTION 4 – DIRECTORS

4.1 *Number*

Subject to subsequent amendments in accordance with the Act:

- 4.1.1 the Corporation shall be managed by a Board consisting of a fixed or variable number of Directors as provided in the articles;
- 4.1.2 if the number of members is variable, it shall be determined from time to time by a resolution of the Board or by an ordinary resolution of the shareholders, but no decrease in the number of Directors shall shorten the term of incumbent Directors.

4.2 *Qualification*

Unless the articles otherwise provide, a Director need not be a shareholder of the Corporation. A Director shall be not less than 18 years of age.

4.3 *Election and Term of Office*

Except as otherwise provided in the articles, the Directors are elected by the shareholders at the annual meeting and the retiring Directors qualify for re-election. This election is made by a show of hands unless a ballot is requested in accordance with the provisions of **subsection 3.22**. If the election of the Directors is not held at the annual meeting, it may be held at a subsequent special meeting duly called for that purpose. Despite the expiry of a Director's term, the Director, unless he or she resigns, remains in office until re-elected or replaced.

4.4 *Vacancies*

So long as a quorum remains, the continuing Directors may act notwithstanding any vacancy on the Board; they may also elect a new Director to fill a vacancy. The shareholders entitled to vote may also elect Directors to fill vacancies at any special meeting at which such vacancies have been created or at any special meeting duly called for the purpose of filling such vacancies. If by reason of vacancies the number of Directors in office is less than a quorum, a special meeting of shareholders shall be called, in accordance with the provisions of **subsection 3.2**.

4.5 *Remuneration*

4.5.1 The Board determines the remuneration of the Corporation's Directors and Officers.

4.5.2 Furthermore, the Board determines the payroll of the employees and other agents of the Corporation. From then on, the President or any other person named by the Board fix the remuneration of such employees and agents. The President or such other person then files the report on such determination with the Board.

4.5.3 The Directors shall also have the right to be reimbursed of all traveling expenses incurred by them in order to be present at meetings of the Board as well as any other expenses incurred in the course of the business of the Corporation.

4.6 *Ceasing to Hold Office*

A Director ceases to hold office when:

4.6.1 he or she dies or resigns; or

4.6.2 he or she is removed from office by the shareholders who have an exclusive right to elect him; or

4.6.3 he or she has the status of bankrupt, or is insolvent or has made a proposal to his or her creditors; or

4.6.4 he or she is under a protective supervision of persons of full age as provided for in the *Civil Code of Quebec*; or

4.6.5 if the court prohibits such person from holding office; or

4.6.6 he or she is of unsound mind and has been so found by a court in Canada or elsewhere.

Nevertheless, any act made in good faith by a Director after the end of his or her term shall be valid.

4.7 *Resignation*

A Director may resign at any time. The resignation of a Director becomes effective at the time the Director's written resignation is received by the Corporation, or at the time specified in the resignation, whichever is later.

4.8 *Removal from Office*

- 4.8.1 The shareholders may by ordinary resolution at a special meeting remove any Director or Directors.
- 4.8.2 If certain shareholders have an exclusive right to elect one or more Directors, a Director so elected may only be removed by ordinary resolution of those shareholders.
- 4.8.3 A Director whose removal is to be proposed at a shareholders meeting may attend the meeting and be heard or, if not in attendance, may explain, in a written statement read by the person presiding over the meeting or made available to the shareholders before or at the meeting, why he or she opposes the resolution proposing his or her removal.
- 4.8.4 A vacancy created by the removal of a Director may be filled at the shareholders meeting at which the Director is removed or, if it is not, at a subsequent meeting of the board of Directors.

4.9 *General Powers of Directors*

- 4.9.1 The Board exercises all the powers necessary to manage, or supervise the management of, the business and affairs of the Corporation.
- 4.9.2 Except to the extent provided by law, such powers may be exercised without shareholder approval and may be delegated to a Director, an Officer or one or more committees of the Board.
- 4.9.3 The Board may designate the offices of the Corporation, appoint Directors or other persons as Officers and specify their functions.
- 4.9.4 The Board may create one or more committees made up of Directors.
- 4.9.5 The Board may also create advisory committees.

4.10 *Duties of the Directors and Officers*

In the exercise of their functions, the Directors and Officers are dutybound toward the Corporation to act with prudence and diligence, honesty and loyalty and in the interest of the Corporation.

4.11 *Liability of Directors and Officers*

No Director or Officer of the Corporation shall be liable for any losses, expenses or damages incurred by the Corporation in the performance of his or her duties, save in the case of his or her own gross negligence or willful omission.

SECTION 5 – DISCLOSURE OF INTEREST

5.1 *Disclosure of Interest*

- 5.1.1 A Director or Officer of the Corporation must disclose the nature and value of any interest he or she has in a contract or transaction to which the Corporation is a party.
- 5.1.2 For the purposes of this **SECTION 5**, “interest” means any financial stake in a contract or transaction that may reasonably be considered likely to influence decision-making. Furthermore, a proposed contract or a proposed transaction, including related negotiations, is considered a contract or transaction.
- 5.1.3 A Director or an Officer must disclose any contract or transaction to which the Corporation and any of the following are a party:
 - 9. an associate of the Director or Officer;

10. a Group of which the Director or Officer is a Director or Officer;
 11. a Group in which the Director or Officer or an associate of the Director or Officer has an interest.
- 5.1.4 The Director or Officer satisfies the requirement if he or she discloses, in a case specified in **subparagraph 10**, the Directorship or office held within the Group or, in a case specified in **subparagraph 11**, the nature and value of the interest he or she or his or her associate has in the Group.
- 5.1.5 The disclosure required by **paragraphs 5.1.1 and 5.1.2** must be made even in the case of a contract or transaction that does not require approval by the Board.
- 5.1.6 No Director may vote on a resolution to approve, amend or terminate the contract or transaction described in **paragraph 5.1.1 and 5.1.3** or be present during deliberations concerning the approval, amendment or termination of such a contract or transaction unless the contract or transaction:
12. relates primarily to the remuneration of the Director or an associate of the Director as a Director of the Corporation or an Affiliate of the Corporation;
 13. is a) for indemnity a Director or Officer of the Corporation, a former Director or Officer of the Corporation, a mandatary, or any other person who acts or acted at the Corporation's request as a director or officer of another Group, or b) for liability insurance it may purchase and maintain; or
 14. is with an Affiliate of the Corporation, and the sole interest of the Director is as a director or officer of the Affiliate.

5.2 *Opinion of Expert*

A Director is presumed to have fulfilled the obligation to act with prudence and diligence if the Director relied, in good faith and based on reasonable grounds, on a report, information or an opinion provided by:

- 5.2.1 an Officer of the Corporation who the Director believes to be reliable and competent in the functions performed;
- 5.2.2 legal counsel, professional accountants or other persons retained by the Corporation as to matters involving skills or expertise the Director believes are matters within the particular person's professional or expert competence or as to which the particular person merits confidence; or
- 5.2.3 a committee of the Board of which the Director is not a member if the Director believes the committee merits confidence.

SECTION 6 – MEETINGS OF THE BOARD

6.1 *Regular Meetings*

The Board shall, without notice, immediately after an annual meeting of shareholders, and at the same place, or immediately after a special meeting of shareholders at which Directors were elected, and at the same place, hold a meeting in order to appoint the new Officers of the Corporation, if applicable, and to transact any other business brought before the Board.

6.2 *Other Meetings*

- 6.2.1 Other meetings of the Board may be held at any time and at any place, either at the call of the President of the Board, the President of the Corporation, one of the Vice-Presidents or of any two

Directors, provided that a notice be given to each Director, or without notice, if all the Directors are present or have waived in writing notice of the meeting.

- 6.2.2 Meetings of the Board may be held by means of equipment enabling all participants to communicate directly with one another. The notice of meeting must mention such possibility. The participants are deemed to be present at the meeting.

6.3 *Notice of Meetings*

- 6.3.1 A notice of meeting shall be sufficient if it indicates the date, time and place of the meeting and if it is sent:

15. by letter, at least 10 clear days before the meeting if the meeting is to be held at a predetermined place;
16. by fax, by e-mail or by messenger service, at least two days before the meeting, if the meeting is to be held by equipment enabling all participants to communicate directly with one another
17. in case of an emergency, by e-mail at least 24 hours before the meeting whether such meeting is to be held at a predetermined place or by electronic means, notably by telephone.

- 6.3.2 The notice of meeting shall be sent at the last known business or residential address of the Director. Notice of a meeting shall be given by the Secretary or by such other Officer as the President of the Corporation or the Directors may designate. The notice need not be signed manually. The business to be transacted at the meeting need not be mentioned in the notice unless it bears on the powers of the Board:

18. to submit to the shareholders any question or matter requiring their approval;
19. to fill a vacancy among the Directors or in the office of auditor or to appoint additional Directors;
20. to appoint the president of the Corporation, the chair of the board of Directors, the chief executive Officer, the chief operating Officer or the chief financial Officer regardless of their title, and to determine their remuneration;
21. to authorize the issue of shares;
22. to declare dividends;
23. to acquire, including by purchase, redemption or exchange, shares issued by the Corporation;
24. to split, consolidate or convert shares;
25. to authorize the payment of a commission to a person who purchases shares or other securities of the Corporation, or procures or agrees to procure purchasers for those shares or securities;
26. to approve the financial statements presented at the annual meetings of shareholders;
27. to adopt, amend or repeal by-laws;
28. to authorize the confiscation of shares;

29. to approve articles of amendment allowing a class of unissued shares to be divided into series, and to determine the designation of and the rights and restrictions attaching to those shares; or
30. to approve a short-form amalgamation.

6.4 *Quorum*

The majority of the number of Directors fixed as provided for in **paragraph 4.1.2** shall constitute a quorum at any meeting of the Board. A quorum of Directors may exercise all the powers of the Directors despite any vacancy on the Board.

6.5 *Adjournment*

Whether or not a quorum is present, a meeting of the Board may be adjourned from time to time by the vote of a majority of Directors present. Any adjourned meeting may be held on the date and at the place and time fixed and announced at the original meeting by such Directors, without further notice, if a quorum is present. If a quorum is not present, a new notice of the adjourned meeting shall be given. The Directors constituting the quorum at the time of adjournment need not constitute the quorum at the adjourned meeting. If there is no quorum at the adjourned meeting, the original meeting shall be deemed to have terminated immediately after the adjournment.

6.6 *Votes*

- 6.6.1 Questions arising at any meeting of the Directors shall be decided by a majority of the votes. In case of an equality of votes, the chair of the meeting shall not be entitled to a second or casting vote.
- 6.6.2 A Director who is present at a meeting of the Board or a committee of the Board is deemed to have consented to any resolution passed at the meeting unless:
 31. the Director's dissent has been entered in the minutes;
 32. the Director sends a written dissent to the secretary of the meeting before the meeting is adjourned; or
 33. the Director delivers a written dissent to the chair of the Board, sends it to the chair by any means providing proof of the date of receipt or delivers it to the head office of the Corporation immediately after the meeting is adjourned.
- 6.6.3 A Director is not entitled to dissent after voting for or consenting to a resolution.
- 6.6.4 A Director who was not present at a meeting at which a resolution was passed is deemed to have consented to the resolution unless the Director records his or her dissent in accordance with this subsection within seven days after becoming aware of the resolution.

6.7 *Chair's Declaration*

Unless a ballot is demanded, an entry in the minutes of a meeting to the effect that the chair of the meeting declared a resolution to be carried or defeated is, in the absence of evidence to the contrary, proof of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

6.8 *President of the Board*

- 6.8.1 The President of the Board, if any, shall preside all meetings of the Board. If a President of the Board has not been elected or is unable to act, the President of the Corporation shall preside such meetings.

6.8.2 If the President of the Board and the President of the Corporation are unable to act, a Vice-President who is a member of the Board, failing which, any Director elected by the Board, shall preside the meeting.

6.9 *Secretary of the Meeting*

The Secretary, or in his or her absence, an Assistant-Secretary, or in their absence, a person appointed by the chair of the meeting shall act as secretary of the meeting.

6.10 *Waiver of Notice*

A Director may, in writing, waive a notice of a meeting of the Board. Attendance of a Director at a meeting of the Board is a waiver of notice of the meeting unless the Director attends the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called.

6.11 *Validity of Acts of Directors*

Even where a defect in the election or appointment of a Director or of a person acting as such is discovered afterwards, or where it is discovered that a member or members of the Board were disqualified, an act of the Board or of a person acting as a Director is as valid as if each of the concerned persons had been duly elected or appointed or if said person was qualified to be a Director.

6.12 *Resolutions in Writing*

A resolution in writing, signed by all the Directors entitled to vote on the resolution, has the same force as if it had been passed at a meeting of the Board or, as the case may be, of a committee of the Board. A copy of the resolution must be kept with the minutes of meetings of the Board.

6.13 *Emergency Meetings*

The President of the Board, the President of the Corporation or the Secretary may, in their sole discretion, determine that a meeting of the Board must be called on an emergency basis. In such event, a notice of the meeting may be given to the Directors by telephone, by fax, by e-mail or by bailiff, not less than two hours before the holding of the meeting. Such a notice of meeting shall be deemed sufficient.

6.14 *Procedure*

The chair of the meeting oversees its proceedings, submits to the Board the proposals on which a vote must be taken and generally determines rules of procedure in a reasonable and impartial manner in accordance with the customary rules of meetings. Upon the failure by the chair of the meeting to submit a proposal, a Director may do so before the adjournment or the termination of the meeting and if the proposal falls within the purview of the Board, it shall be seized of the proposal which need not be seconded. For such purpose, the agenda of a meeting of the Board is deemed to contain a period allowing Directors to present their proposals.

SECTION 7 – OFFICERS AND AGENTS

7.1 *Officers*

The Board appoints the Officers as it deems fit. The Officers may consist, without limitation, of a President of the Corporation, a President of the Board, a chief executive Officer, a chief operating Officer, a chief financial Officer, one or more Vice-Presidents, a Secretary, one or more Assistant-Secretaries, a Treasurer, one or more Assistant-Treasurers, a Secretary-Treasurer and a General Manager.

7.2 *Plurality of Offices*

An Officer may hold several offices but he may not at the same time hold the offices of President and Vice-President of the Corporation.

7.3 *Appointment of Officers*

If the Board must appoint new Officers following the election of new Directors, it must do so at a meeting held immediately after the annual meeting or a special meeting of shareholders at which the new Directors were elected. If such appointment is not made, the retiring Officers shall continue in office until their successors are appointed.

7.4 *Term of Office*

Unless otherwise decided by the Board at the time of their appointment, the Officers hold their office from the date of their appointment to the date of their removal.

7.5 *Resignation and Removal of Officers*

An Officer may resign at any time by delivering his or her resignation in writing to the President or to the Secretary of the Corporation or to the Directors at a meeting of the Board. An Officer may be removed at any time, either with or without serious reason, by a resolution of the Board.

7.6 *Vacancies*

Vacancies in any office may be filled at any time by the Board.

7.7 *Remuneration*

As mentioned in **subsection 4.5**, the remuneration of Officers of the Corporation is fixed by the Board.

7.8 *Powers and Duties of Officers*

Except as otherwise provided by the Act or these By-laws, each Officer shall have the usual powers and shall perform all the usual duties incident to his or her office, and shall in addition, have such powers and perform such duties as the Board may from time to time delegate and assign to him.

7.9 *President of the Corporation*

7.9.1 The President of the Corporation is its chief operating Officer of the Corporation. He must be a member of the Board and he presides over the meetings of the shareholders and of the Board at which he is present, unless a President of the Board has been elected and is present.

7.9.2 The President shall exercise such other powers and perform such other duties as the Board may from time to time prescribe.

7.10 *President of the Board*

If a President of the Board is in office, the latter shall preside over the meetings of the Board and the meetings of the shareholders at which he is present. He must be chosen from among the Directors of the Corporation. He shall exercise such other powers and perform such other duties as the Board may from time to time prescribe.

7.11 *Vice-President*

In case of absence or disability of the President of the Board or of the President of the Corporation, the Vice-President or the most senior among the Vice-Presidents, if he qualifies as a Director, presides at all meetings of the Board. A Vice-President shall moreover exercise such other powers and perform such other duties as the Board may from time to time prescribe.

7.12 *Secretary*

The Secretary shall attend meetings of the shareholders and of the Board and shall record the proceedings at such meetings in suitable books. He shall give notice of all meetings. He shall be custodian of the seal and of the corporate records, books, documents and archives, etc. of the Corporation. He shall moreover exercise such other powers and perform such other duties as the Board may from time to time prescribe. He is accountable to, and he shall report to the Board. The Secretary shall be ex officio an Assistant-Treasurer.

7.13 *Treasurer*

The Treasurer shall receive all moneys paid to the Corporation. He shall deposit such moneys in the name and to the credit of the Corporation in such financial institution as the Board shall designate. He shall keep or cause to be kept at the office of the Corporation books and records containing accurate and complete account of all transactions affecting the financial position of the Corporation. He shall also at all times exhibit such books and records to any Director of the Corporation upon demand during business hours. He shall moreover exercise such other powers and perform such other duties as the Board may from time to time prescribe. He is accountable to and shall report to the Board. The Treasurer shall be ex officio an Assistant-Secretary.

7.14 *Assistant-Secretary*

An Assistant-Secretary shall exercise such powers and perform such duties as the Board or the Secretary may prescribe from time to time. He shall be responsible and report to the Secretary. In the absence of the Secretary, the Assistant-Secretary shall give notice of and act as secretary at any meeting of shareholders or of Directors.

7.15 *Assistant-Treasurer*

An Assistant-Treasurer shall exercise such powers and perform such duties as the Board or the Treasurer may prescribe from time to time. He shall be responsible and report to the Treasurer.

7.16 *Secretary-Treasurer*

The Board may, by resolution, appoint a Secretary-Treasurer who holds the offices assigned to the Secretary and to the Treasurer.

7.17 *General Manager*

The Board may by resolution appoint a General Manager of the Corporation. The Board determines his or her salary and duties.

7.18 *Agents*

The Board may at any time and from time to time, by resolution, appoint any person to be attorney for the Corporation subject to such conditions as the Board may from time to time determine. Such attorney may be authorized by the Directors to delegate all or any of the powers vested in him. Unless otherwise provided by the Directors, two Officers shall have full authority, for and on behalf of the Corporation, to execute a power of attorney and to deliver it to the attorney appointed by resolution of the Board. The seal of the Corporation may, upon request, be affixed to the power of attorney.

SECTION 8 – INDEMNIFICATION OF DIRECTORS AND OFFICERS

8.1 *Prosecution by a Third Person*

Subject to **subsection 8.3**, the Corporation must indemnify a Director or Officer of the Corporation, a former Director or Officer of the Corporation, a mandatary, or any other person who acts or acted at the Corporation's request as a Director or Officer of another group against all costs, charges and expenses

reasonably incurred in the exercise of their functions, including an amount paid to settle an action or satisfy a judgment, or arising from any investigative or other proceeding in which the person is involved if:

8.1.1 the person acted with honesty and loyalty in the interest of the Corporation or, as the case may be, in the interest of the other group for which the person acted as Director or Officer or in a similar capacity at the Corporation's request; and

8.1.2 in the case of a proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that his or her conduct was lawful.

8.2 *Advances*

The Corporation must also advance moneys to such a person for the costs, charges and expenses of a proceeding referred to in **subsection 8.1**.

8.3 *Interdiction and Reimbursement*

In the event that a court or any other competent authority judges that the conditions set out in **paragraphs 8.1.1** and **8.1.2** are not fulfilled, the Corporation may not indemnify the person and the person must repay to the Corporation any monies advanced under that section.

8.4 *Prosecution by the Corporation*

A Corporation may, with the approval of the court, in respect of an action by or on behalf of the Corporation or other group referred to in **subsection 8.1**, against a person referred to in that section, advance the necessary monies to the person or indemnify the person against all costs, charges and expenses reasonably incurred by the person in connection with the action, if the person fulfills the conditions set out in that section.

8.5 *Insurance*

A Corporation may purchase and maintain insurance for the benefit of its Directors, Officers and other mandataries against any liability they may incur as such or in their capacity as Directors, Officers or mandataries of another group, if they act or acted in that capacity at the Corporation's request.

SECTION 9 – SEAL

9.1 *Description*

The Corporation may have a seal on which its name or designating number is engraved. The adoption of the seal is done by a resolution of the Directors. It shall be authenticated by the signature of the President of the Corporation or of the Secretary.

SECTION 10 – CAPITAL, SHARE CERTIFICATES, TRANSFER OF SHARES AND DIVIDENDS

10.1 *Issue and Allotment of Shares*

Shares of the capital of the Corporation may be issued and allotted at such time, in such manner, to such persons or class of persons and upon such terms and conditions as the Directors may from time to time determine by resolution.

10.2 *Issue of Shares with or without Certificates*

Shares issued by a Corporation may be certificated or uncertificated. A certificated share is represented by a paper certificate in registered form, and an uncertificated share is represented by an entry in the securities register in the name of the shareholder.

10.3 *Share Certificates*

10.3.1 If the Corporation issues certificated shares, a shareholder shall be entitled, free of charge, to one or more certificates representing the shares registered in his or her name, provided that in respect of shares held jointly by several persons, the Corporation shall not have to issue more certificates than if such shares were held individually. The form of the certificates must be approved by the Directors. Each certificate shall mention the following:

34. the name of the Corporation;
35. a mention that the Corporation is governed by the Act;
36. the number of shares and their nominal or par value, if any;
37. that there are rights and restrictions attaching to the class or series of the shares represented and that the Corporation will, on request, provide the text of those rights and restrictions to the shareholder, without charge;
38. a mention, if such is the case, that the shares are charged in favour of the Corporation.

10.3.2 The certificates must be signed by any of the following Officers: the President of the Board, the President of the Corporation, a Vice-President or the Secretary.

10.3.3 If an agent in charge of maintaining the registers is appointed with respect to a class of shares, such agent shall countersign manually any certificate to be issued. In such case, the signature of any Officer referred to above may be printed, engraved or otherwise reproduced.

10.4 *Uncertificated Shares*

In the case of uncertificated shares, the Corporation must send the shareholder a written notice containing the information required under the **paragraph 10.3**.

10.5 *Lost, Defaced or Destroyed Certificates*

If any share certificate is lost, defaced or destroyed, a new certificate may be issued in lieu thereof upon providing adequate security and upon such conditions as the Directors shall deem advisable.

10.6 *Transfer Agent and Agent in Charge of Maintaining the Registers*

The Board may appoint an individual or a legal person to act as transfer agent or as agent in charge of maintaining the registers for the shares or other securities of the Corporation or for any class or classes thereof.

10.7 *Transfer of Shares - Shareholder in Debt*

The Board may refuse to authorize the transfer of shares owned by a shareholder in debt to the Corporation.

10.8 *Registered holder*

Subject to the provisions of the Act, the Corporation has the right to consider the registered holder of any share as the absolute owner thereof and consequently the Corporation may not be compelled to recognize any claim of any third party as to his or her interest in said share.

10.9 *Dividends*

10.9.1 The Board may declare dividends payable in money or property or in fully paid shares, and pay same to the shareholders according to their rights and interest. No unpaid dividend shall bear interest.

- 10.9.2 Subject to any law of public order to the contrary, any dividend unclaimed by a shareholder more than three years from the date on which it has been declared to be payable shall be forfeited and shall revert to the Corporation.

SECTION 11 – BOOKS AND ACCESS THERETO

11.1 Books of the Corporation

11.1.1 The Corporation must prepare and maintain, at its head office, records containing:

39. its articles, its By-laws and the last avis des administrateurs/avis du siege;
40. a copy of its initial declaration, of its last updating annual declaration or of any updating declaration deposited since the last updating annual declaration;
41. minutes of meetings and resolutions of shareholders;
42. the names and domiciles of the Directors, and the dates of the beginning and end of their term of office.

11.1.2 The securities register is kept by the transfer agent or the agent in charge of maintaining the registers.

11.2 Examination of the Books of the Corporation

11.2.1 Subject to **subsection 11.3**, the shareholders may examine the Corporation's records during its regular office hours, and obtain extracts from them without charge. They are also entitled, on request and without charge, to one copy of the articles and by-laws and of any unanimous shareholder agreement.

11.2.2 The shareholders of a Corporation may, during the usual office hours of the Corporation, examine the portions of any minutes of the meetings of the board of Directors or of any other document that contain disclosures by Directors or Officers under sections 122 and 123 of the Act.

11.3 Restrictions on Access of the Books of the Corporation

11.3.1 The Corporation must prepare and maintain accounting records and records containing the minutes of meetings and resolutions of the Board and its committees. The records must be kept at the Corporation's head office or at any other place designated by the Board.

11.3.2 The Corporation is required to retain all accounting records for a period of six years after the end of the fiscal year to which they relate.

11.3.3 Except as otherwise provided by the Act, only the Directors and the auditor may have access to the records referred to in this **paragraph 11.3**.

SECTION 12 – NEGOTIABLE INSTRUMENTS, CONTRACTS, VOTING OF SHARES, JUDICIAL DECLARATIONS

12.1 Cheques, Bills of Exchange etc.

All cheques, bills of exchange, promissory notes and other negotiable instruments shall be signed by the person or Officer designated by the Board. Unless a resolution to the contrary is passed by the Board, all endorsements of cheques, bills of exchange, promissory notes or other negotiable instruments payable to the Corporation shall be for collection and for deposit to the credit of the Corporation with a duly authorized financial institution. These endorsements may be made by means of a rubber stamp or other devices.

12.2 *Submission of Contracts or Transactions to Shareholders' Approval*

The Board may, at its discretion, submit a contract, deed or transaction for approval, ratification or confirmation by the shareholders to annual or special meeting of shareholders called for such purpose. A contract, deed or transaction approved, ratified or confirmed by a resolution passed by the majority of the votes cast at such meeting (except if the Act, the articles or a By-law of the Corporation provide for different or additional requirements) has the same force and binds the Corporation and its shareholders as if the approval, ratification or confirmation were given by each of the shareholders of the Corporation.

12.3 *Contracts, etc.*

Contracts, documents or other instruments in writing executed in the ordinary course of business of the Corporation and requiring its signature may be validly signed by the President of the Board or the President of the Corporation or a Vice-President and by the Secretary or the Treasurer or the Secretary-Treasurer or an Assistant-Secretary. All contracts, documents or other instruments in writing so executed shall be binding on the Corporation without any further formality or authorization. The Board has power to appoint by resolution any Officer or any other person for the purpose of signing in the name of the Corporation contracts, documents or other instruments in writing and such authorization may be general or specific. The seal of the Corporation may, upon request, be affixed on the contracts, documents or other instruments in writing as indicated above.

12.4 *Voting of Shares of Other Legal Persons*

Unless otherwise ordered by the Board, the President of the Corporation has power and authority for and in the name of the Corporation:

12.4.1 to attend, act and vote at any meeting of shareholders of any body corporate in which the Corporation may from time to time hold shares and at all such meetings, he has the right to exercise all and every right and power incidental to the ownership of such shares as if he were the owner thereof; or

12.4.2 to execute a proxy or proxies empowering others to act as aforesaid.

The Directors may, from time to time, confer like powers upon any other person.

12.5 *Judicial Declarations*

The President of the Corporation, the President of the Board, a Vice-President, the Secretary, the Treasurer, the Secretary-Treasurer, an Assistant-Secretary, an Assistant-Treasurer, or a Director are hereby authorized hereunder:

12.5.1 to make on behalf of the Corporation any declaration, writ of attachment, whether before or after judgement, and respond to any examination upon facts or other proceedings which may be necessary in any judicial proceedings involving the Corporation;

12.5.2 to make petitions for dissolution or winding-up, or petitions in bankruptcy in reference to any debtors of the Corporation, and to grant proxies in connection therewith; and

12.5.3 to represent the Corporation at any meeting of creditors in which the Corporation may be interested and to vote thereat and to make any decision on behalf of the Corporation in relation thereto.

The Board may however appoint by resolution any other persons to represent the Corporation in respect of the above matters.

SECTION 13 – FISCAL YEAR

13.1 *Fiscal Year*

The fiscal year of the Corporation shall be determined from time to time by the Board.