

TERRITORY OF THE BRITISH VIRGIN ISLANDS

THE BVI BUSINESS COMPANIES ACT, 2004

**ARTICLES OF ASSOCIATION**

**OF**

**XTRA-GOLD RESOURCES CORP.**

**A COMPANY LIMITED BY SHARES**

**1. REGISTERED SHARES**

- 1.1 Every Shareholder is entitled, at his option, to a share certificate or a non-transferable written acknowledgement of his right to obtain a share certificate from the Company in respect of the shares of the Company held by him, but the Company is not bound to issue more than one Share certificate in respect of a Share or Shares held jointly by several persons, and delivery of a share certificate to one of several joint Shareholders is sufficient delivery to all. The Company may charge a fee for a share certificate issued in respect of a transfer.
- 1.2 A share certificate shall be signed by at least one director or officer of the Company or by or on behalf of a registrar, transfer agent, branch transfer agent or other authenticating agent of the Company or under the Seal of the Company and the signature of the director, officer, registrar, transfer agent, branch transfer agent or other authenticating agent may be facsimiles.
- 1.3 If a share certificate contains a printed or mechanically reproduced signature of a person, the Company may issue the share certificate, notwithstanding that the person has ceased to be a director or an officer of the Company, and the share certificate is as valid as if he were a director or an officer at the date of its issue.
- 1.4 Any Shareholder receiving a share certificate for registered Shares shall indemnify and hold the Company and its directors and officers harmless from any loss or liability which it or they may incur by reason of any wrongful or fraudulent use or representation made by any person by virtue of the possession thereof. Where the registered holder of a share certificate claims that the share certificate has been lost, apparently destroyed or wrongfully taken, the Company shall issue a new share certificate in place of the original share certificate if the Shareholder:
- (a) so requests before the Company has notice that the share certificate has been acquired by a bona fide purchaser;
  - (b) files with the Company an indemnity bond sufficient in the Company's opinion to protect the Company and any transfer agent, registrar or other agent of the Company from any loss that it or any of them may suffer by complying with the request to issue a new share certificate; and
  - (c) satisfies any other reasonable requirements imposed by the Company.
- 1.5 If several Eligible Persons are registered as joint holders of any Shares, any one of such Eligible Persons may give an effectual receipt for any Distribution.

**2. SHARES**

- 2.1 Shares and other Securities may be issued at such times, to such Eligible Persons, for such consideration and on such terms as the directors may by Resolution of Directors determine, subject to the limitations set out herein.

- 2.2 Section 46 of the Act (Pre-emptive rights) does not apply to the Company.
- 2.3 No Share shall be issued until the consideration for the Share is fully paid in money or in property or past services that are not less in value than the fair equivalent of the money that the Company would have received if the Share had been issued for money, so that all Shares issued by the Company shall be deemed issued fully paid and non-assessable, provided that no Share may be issued for consideration in the form of a promissory note, a promise to pay or other written obligation to contribute money or property or a contract for future services.
- 2.4 In determining whether property or past services are the fair equivalent of a money consideration, the directors may take into account reasonable charges and expenses of organization and reorganization and payments for property and past services reasonably expected to benefit the Company. The directors of the Company who vote for or consent to a Resolution of Directors authorizing the issue of a Share under regulation 2.1 for consideration other than money are jointly and severally, or solidarily, liable to the Company to make good any amount by which the consideration received is less than the fair equivalent of the money that the Company would have received if the Share had been issued for money on the date of the Resolution of Directors.
- 2.5 No Shares may be issued for a consideration other than money, unless a Resolution of Directors has been passed stating:
- (a) the amount to be credited for the issue of the Shares;
  - (b) the determination of the directors of the reasonable present cash value of the non-money consideration for the issue; and
  - (c) that, in the opinion of the directors, the present cash value of the non-money consideration for the issue is not less than the amount to be credited for the issue of the Shares.
- 2.6 The Company shall keep a register (the “**register of members**”) containing:
- (a) the names and addresses of the Eligible Persons who hold Shares;
  - (b) the number of each class and series of Shares held by each Shareholder;
  - (c) the date on which the name of each Shareholder was entered in the register of members; and
  - (d) the date on which any Eligible Person ceased to be a Shareholder.
- 2.7 The register of members may be in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until the directors otherwise determine, the magnetic, electronic or other data storage form shall be the original register of members.
- 2.8 A Share is deemed to be issued when the name of the Shareholder is entered in the register of members.
- 3. REDEMPTION OF SHARES AND TREASURY SHARES**
- 3.1 The Company may purchase, redeem or otherwise acquire and hold its own Shares save that the Company may not purchase, redeem or otherwise acquire its own Shares without the consent of Shareholders whose Shares are to be purchased, redeemed or otherwise acquired unless the Company is permitted by the Act or any other provision in the Memorandum or Articles to purchase, redeem or otherwise acquire the Shares without their consent.
- 3.2 The Company may only offer to purchase, redeem or otherwise acquire Shares if the Resolution of Directors authorising the purchase, redemption or other acquisition contains a statement that

the directors are satisfied, on reasonable grounds, that immediately after the acquisition the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.

- 3.3 Sections 60 (*Process for acquisition of own shares*), 61 (*Offer to one or more shareholders*) and 62 (*Shares redeemed otherwise than at the option of company*) of the Act shall not apply to the Company.
- 3.4 Shares that the Company purchases, redeems or otherwise acquires pursuant to this Regulation may be cancelled or held as Treasury Shares except to the extent that such Shares are in excess of 50% of the issued Shares in which case they shall be cancelled but they shall be available for reissue.
- 3.5 All rights and obligations attaching to a Treasury Share are suspended and shall not be exercised by the Company while it holds the Share as a Treasury Share.
- 3.6 Treasury Shares may be transferred by the Company on such terms and conditions (not otherwise inconsistent with the Memorandum and the Articles) as the Company may by Resolution of Directors determine.
- 3.7 Where Shares are held by another body corporate of which the Company holds, directly or indirectly, shares having more than 50% of the votes in the election of directors of the other body corporate, all rights and obligations attaching to the Shares held by the other body corporate are suspended and shall not be exercised by the other body corporate.

#### **4. MORTGAGES AND CHARGES OF SHARES**

- 4.1 Shareholders may mortgage or charge their Shares.
- 4.2 There shall be entered in the register of members at the written request of the Shareholder:
  - (a) a statement that the Shares held by him are mortgaged or charged;
  - (b) the name of the mortgagee or chargee; and
  - (c) the date on which the particulars specified in subparagraphs (a) and (b) are entered in the register of members.
- 4.3 Where particulars of a mortgage or charge are entered in the register of members, such particulars may be cancelled:
  - (a) with the written consent of the named mortgagee or chargee or anyone authorised to act on his behalf; or
  - (b) upon evidence satisfactory to the directors of the discharge of the liability secured by the mortgage or charge and the issue of such indemnities as the directors shall consider necessary or desirable.
- 4.4 Whilst particulars of a mortgage or charge over Shares are entered in the register of members pursuant to this Regulation:
  - (a) no transfer of any Share the subject of those particulars shall be effected;
  - (b) the Company may not purchase, redeem or otherwise acquire any such Share; and
  - (c) no replacement certificate shall be issued in respect of such Shares,without the written consent of the named mortgagee or chargee.

## 5. TRANSFER OF SHARES

- 5.1 Registered Shares in the Company may be transferred by a written instrument of transfer signed by the transferor and containing the name and address of the transferee. Where there is a share certificate, such certificate, must be endorsed by the registered holder thereof or deposited together with the share transfer power of attorney (if applicable) properly completed by the registered holder. Such signature must be guaranteed by an "Eligible Institution", which means a Canadian schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP), (members of these programs are usually members of a recognized stock exchange in Canada and the United States, members of the Investment Industry Regulatory Organization of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States) or in some other manner satisfactory to the Company.
- 5.2 The transfer of a Share is effective when the name of the transferee is entered on the register of members.
- 5.3 If the directors of the Company are satisfied that an instrument of transfer relating to Shares has been signed but that the instrument has been lost or destroyed, they may resolve by Resolution of Directors:
- (a) to accept such evidence of the transfer of Shares as they consider appropriate; and
  - (b) that the transferee's name should be entered in the register of members notwithstanding the absence of the instrument of transfer.
- 5.4 Subject to the Memorandum, the personal representative of a deceased Shareholder may transfer a Share even though the personal representative is not a Shareholder at the time of the transfer.
- 5.5 Subject to any limitations in the Memorandum, the Company must on the application of the transferor or transferee of a Share in the Company enter in the register of members the name of the transferee of the Share.
- 5.6 The executor or administrator of a deceased Shareholder, the guardian of an incompetent Shareholder or the trustee of a bankrupt Shareholder shall be the only person recognized by the Company as having any title to his Share but they shall not be entitled to exercise any rights as a Shareholder until they have proceeded as set forth in the next following three Regulations.
- 5.7 The production to the Company of any document which is evidence of probate of the will, or letters of administration of the estate, or confirmation as executor, of a deceased Shareholder or of the appointment of a guardian of an incompetent Shareholder or the trustee of a bankrupt Shareholder shall be accepted by the Company even if the deceased, incompetent or bankrupt Shareholder is domiciled outside the British Virgin Islands if the document evidencing the grant of probate or letters of administration, confirmation as executor, appointment as guardian or trustee in bankruptcy is issued by a foreign court which had competent jurisdiction in the matter. For the purpose of establishing whether or not a foreign court had competent jurisdiction in such a matter the directors may obtain appropriate legal advice. The directors may also require an indemnity to be given by the executor, administrator, guardian or trustee in bankruptcy.
- 5.8 Any person becoming entitled by operation of law or otherwise to a Share or Shares in consequence of the death, incompetence or bankruptcy of any Shareholder may be registered as a Shareholder upon such evidence being produced as may reasonably be required by the directors. An application by any such person to be registered as a Shareholder shall for all purposes be deemed to be a transfer of Shares of the deceased, incompetent or bankrupt Shareholder and the directors shall treat it as such.

- 5.9 Any person who has become entitled to a Share or Shares in consequence of the death, incompetence or bankruptcy of a Shareholder may, instead of being registered himself, request in writing that some person be named by him be registered as the transferee of such Share or Shares and such request shall likewise be treated as if it were a transfer.
- 5.10 What amounts to incompetence on the part of a person is a matter to be determined by the court having regard to all the relevant evidence and the circumstances of the case.

## **6. MEETINGS AND CONSENTS OF SHAREHOLDERS**

- 6.1 Any director of the Company may convene meetings of the Shareholders at such times and in such manner and places within or outside the British Virgin Islands as the director considers necessary or desirable but the directors shall call a meeting of Shareholders designated as an "annual meeting" not later than eighteen months after the Company's registration under the laws of the British Virgin Islands and subsequently not later than fifteen months after holding the last preceding annual meeting and no later than six months after the end of the Company's preceding financial year.
- 6.2 Upon the written request of Shareholders entitled to exercise 10% or more of the voting rights in respect of the matter for which the meeting is requested the directors shall convene a meeting of Shareholders.
- 6.3 The director convening a meeting shall give not less than 21 days' notice of a meeting of Shareholders to:
- (a) those Shareholders whose names on the date the notice is given appear as Shareholders in the register of members of the Company and are entitled to vote at the meeting; and
  - (b) the other directors.
- 6.4 The director convening a meeting of Shareholders may fix as the record date for determining those Shareholders that are entitled to vote at the meeting the date notice is given of the meeting and may also fix in advance a date as the record date for determining those Shares that are entitled to vote at the meeting but the record date shall not precede by more than 60 days or by less than 21 days the date on which the meeting is to be held.
- 6.5 A meeting of Shareholders held in contravention of the requirement to give notice is valid if Shareholders holding at least 90% of the total voting rights on all the matters to be considered at the meeting have waived notice of the meeting and, for this purpose, the presence of a Shareholder at the meeting shall constitute waiver in relation to all the Shares which that Shareholder holds.
- 6.6 The inadvertent failure of a director who convenes a meeting to give notice of a meeting to a Shareholder or another director, or the fact that a Shareholder or another director has not received notice, does not invalidate the meeting.
- 6.7 A Shareholder may be represented at a meeting of Shareholders by a proxy who may speak and vote on behalf of the Shareholder.
- 6.8 The instrument appointing a proxy shall be produced at the place designated for the meeting before the time for holding the meeting at which the person named in such instrument proposes to vote. The notice of the meeting may specify an alternative or additional place or time at which the proxy shall be presented.
- 6.9 The instrument appointing a proxy shall comply with all applicable securities laws and shall be in substantially the following form or such other form as the chairman of the meeting shall accept as properly evidencing the wishes of the Shareholder appointing the proxy.

XTRA-GOLD RESOURCES CORP.

I/We being a Shareholder of the above Company HEREBY APPOINT

.....  
..... of ..... or failing him  
.....

of ..... to be my/our proxy to vote for me/us at the meeting  
of Shareholders to be held on the ..... day of ....., 20..... and at any  
adjournment thereof.

(Any restrictions on voting to be inserted here.)

Signed this ..... day of ....., 20.....

.....  
Shareholder

- 6.10 The following applies where Shares are jointly owned:
- (a) if two or more persons hold Shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a Shareholder;
  - (b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
  - (c) if two or more of the joint owners are present in person or by proxy they must vote as one.
- 6.11 A Shareholder shall be deemed to be present at a meeting of Shareholders if he participates by telephone or other electronic means and all Shareholders participating in the meeting are able to hear each other.
- 6.12 A meeting of Shareholders is duly constituted if, at the commencement of the meeting, there are present in person or by proxy not less than 2 persons representing not less than 5% of the votes of the Shares or class of Shares entitled to vote on Resolutions of Shareholders to be considered at the meeting.
- 6.13 If within two hours from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Shareholders, shall be dissolved; in any other case it shall stand adjourned to the next business day in the jurisdiction in which the meeting was to have been held at the same time and place or to such other time and place as the directors may determine, and if at the adjourned meeting there are present within one hour from the time appointed for the meeting in person or by proxy not less 2 persons representing not less than 0.5% of the votes of the Shares or each class of Shares entitled to vote on the matters to be considered by the meeting, those present shall constitute a quorum but otherwise the meeting shall be dissolved.
- 6.14 At every meeting of Shareholders, the Chairman of the Board shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting or is not willing or able to chair the meeting, then the CEO shall preside over the meeting. If neither the Chairman of the Board nor the CEO is present at the meeting or willing or able to chair the meeting, the Shareholders present shall choose one of their number to be the chairman. If the Shareholders are unable to choose a chairman for any reason, then the person representing the greatest number of voting Shares present in person or by proxy at the meeting shall preside as chairman failing which the oldest individual Shareholder or representative of a Shareholder present shall take the chair.

- 6.15 The chairman may, with the consent of the meeting, adjourn any meeting from time to time, and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 6.16 At any meeting of the Shareholders the chairman is responsible for deciding in such manner as he considers appropriate whether any resolution proposed has been carried or not and the result of his decision shall be announced to the meeting and recorded in the minutes of the meeting. If the chairman has any doubt as to the outcome of the vote on a proposed resolution, he shall cause a poll to be taken of all votes cast upon such resolution. If the chairman fails to take a poll then any Shareholder present in person or by proxy who disputes the announcement by the chairman of the result of any vote may immediately following such announcement demand that a poll be taken and the chairman shall cause a poll to be taken. If a poll is taken at any meeting, the result shall be announced to the meeting and recorded in the minutes of the meeting.
- 6.17 Subject to the specific provisions contained in this Regulation for the appointment of representatives of Eligible Persons other than individuals, the right of any individual to speak for or represent a Shareholder shall be determined by the law of the jurisdiction where, and by the documents by which, the Eligible Person is constituted or derives its existence. In case of doubt, the directors may in good faith seek legal advice from any qualified person and unless and until a court of competent jurisdiction shall otherwise rule, the directors may rely and act upon such advice without incurring any liability to any Shareholder or the Company.
- 6.18 Any Eligible Person other than an individual which is a Shareholder may by resolution of its directors or other governing body authorise such individual as it thinks fit to act as its representative at any meeting of Shareholders or of any class of Shareholders, and the individual so authorised shall be entitled to exercise the same rights on behalf of the Shareholder which he represents as that Shareholder could exercise if it were an individual.
- 6.19 The chairman of any meeting at which a vote is cast by proxy or on behalf of any Eligible Person other than an individual may call for a notarially certified copy of such proxy or authority which shall be produced within 7 days of being so requested or the votes cast by such proxy or on behalf of such Eligible Person shall be disregarded.
- 6.20 Directors of the Company may attend and speak at any meeting of Shareholders and at any separate meeting of the holders of any class or series of Shares.
- 6.21 An action that may be taken by the Shareholders at a meeting may also be taken by a resolution consented to in writing, by all of the votes of Shares entitled to vote thereon without the need for any notice. The consent may be in the form of counterparts, each counterpart being signed by one or more Shareholders. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date of the latest counterpart.

## **7. MEMBERS DISSENT**

In addition to the dissent rights provided under section 179 of the Act, a Shareholder of any class of Shares of the Company is entitled to dissent (in the manner provided for in section 179 of the Act) and be paid fair value for his Shares if the Company purports to resolve to:

- (a) amend its Memorandum or Articles to add, remove or change restrictions on the issue, transfer or ownership of Shares of that class;
- (b) amend its Memorandum or Articles to add, remove or change any restriction upon the business or businesses that the Company may carry on or upon the powers that the Company may exercise;

- (c) be merged or consolidated with another entity, except where such entity is the wholly owned subsidiary of the Company, the sole Shareholder of the Company or the entity is wholly owned by the sole Shareholder of the Company;
- (d) be continued under the laws of another jurisdiction; or
- (e) sell, transfer, lease exchange or otherwise dispose of more than 50% in value of the assets of the Company other than in the ordinary course of business of the Company.

## 8. RESERVED MATTERS

For avoidance of any doubt, the following actions require approval by a Resolution of Shareholders approved by not less than two-thirds of the votes of the Shares or the class of Shares entitled to vote thereon:

- (a) the sale, transfer, lease, exchange or other disposition of more than 50% in value of the assets of the Company other than in the ordinary course of business of the Company;
- (b) the merger or consolidation with another entity, except where such entity is the wholly owned subsidiary of the Company, the sole Shareholder of the Company or the entity is wholly owned by the sole Shareholder of the Company; and
- (c) the continuation of the Company.

## 9. DIRECTORS

- 9.1 The directors shall be elected by Resolution of Shareholders and subject to Sub-Regulation 9.7, appointed by Resolution of Directors.
- 9.2 No person shall be appointed as a director, of the Company unless he has consented in writing to be a director.
- 9.3 Subject to Sub-Regulation 9.1, the minimum number of directors shall be three and the maximum number shall be fifteen.
- 9.4 Subject to Sub-Regulation 9.3, the actual number of directors of the Company (within the range of three to fifteen) and the number of directors of the Company to be elected at the annual meetings of the Company specified in Sub-Regulation 6.1 shall be such number as determined from time to time by Resolution of Directors.
- 9.5 Each director holds office for the term, if any, including on an annual basis, fixed by the Resolution of Shareholders or the Resolution of Directors appointing him, in accordance with sub-Regulation 9.7 or until his earlier death, resignation or removal. If no term is fixed on the election or appointment of a director, the director shall serve for a term not exceeding the close of the next annual meeting of Shareholders following his election or appointment.
- 9.6 A director may be removed from office, with or without cause, by Resolution of Shareholders passed at a meeting of Shareholders called for the purposes of removing the director or for purposes including the removal of the director or by a written Resolution of Shareholders.
- 9.7 A director may resign his office by giving written notice of his resignation to the Company and the resignation has effect from the date the notice is received by the Company or from such later date as may be specified in the notice. A director shall resign forthwith as a director if he is, or becomes, disqualified from acting as a director under the Act.
- 9.8 Subject to any Resolution of Shareholders to the contrary, the directors may at any time by a Resolution of Directors appoint any person to be a director either to fill a vacancy (except a



vacancy resulting from an increase in the minimum number of directors or from a failure of the Shareholders to elect the minimum number of directors) or as an addition to the existing directors. However, the directors may not between meetings of Shareholders, appoint an additional director if, after such appointment, the total number of directors would be greater than one and one third times the number of directors to have been elected at the last annual meeting of Shareholders. In the absence of a quorum of the Board of Directors or if the vacancy has arisen from a failure of the Shareholders to elect the minimum number of directors, the Board of Directors shall forthwith call a meeting of Shareholders to fill the vacancy. If the Board of Directors fails to call such meeting or if there are no such directors then in office, any Shareholder may call the meeting.

- 9.9 A vacancy in relation to directors occurs if a director dies or otherwise ceases to hold office prior to the expiration of his term of office.
- 9.10 The Company shall keep a register of directors containing:
- (a) the names and addresses of the persons who are directors of the Company;
  - (b) the date on which each person whose name is entered in the register was appointed as a director of the Company;
  - (c) the date on which each person named as a director ceased to be a director of the Company; and
  - (d) such other information as may be prescribed by the Act.
- 9.11 The register of directors may be kept in any such form as the directors may approve, but if it is in magnetic, electronic or other data storage form, the Company must be able to produce legible evidence of its contents. Until a Resolution of Directors determining otherwise is passed, the magnetic, electronic or other data storage shall be the original register of directors.
- 9.12 The directors may, by Resolution of Directors, fix the emoluments of directors with respect to services to be rendered in any capacity to the Company.
- 9.13 A director is not required to hold a Share as a qualification to office.

## **10. POWERS OF DIRECTORS**

- 10.1 The business and affairs of the Company shall be managed by, or under the direction or supervision of, the directors of the Company. The directors of the Company have all the powers necessary for managing, and for directing and supervising, the business and affairs of the Company. The directors may pay all expenses incurred preliminary to and in connection with the incorporation of the Company and may exercise all such powers of the Company as are not by the Act or by the Memorandum or the Articles required to be exercised by the Shareholders.
- 10.2 Each director shall exercise his powers for a proper purpose and shall not act or agree to the Company acting in a manner that contravenes the Memorandum, the Articles or the Act. Each director, in exercising his powers or performing his duties, shall act honestly and in good faith in what the director believes to be the best interests of the Company.
- 10.3 If the Company is the wholly owned subsidiary of a holding company, a director of the Company may, when exercising powers or performing duties as a director, act in a manner which he believes is in the best interests of the holding company even though it may not be in the best interests of the Company.
- 10.4 Any director which is a body corporate may appoint any individual as its duly authorised representative for the purpose of representing it at meetings of the directors, with respect to the signing of consents or otherwise.
- 10.5 The continuing directors may act notwithstanding any vacancy in their body.

- 10.6 The directors may by Resolution of Directors exercise all the powers of the Company to incur indebtedness, liabilities or obligations and to secure indebtedness, liabilities or obligations whether of the Company or of any third party.
- 10.7 All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as shall from time to time be determined by Resolution of Directors.
- 10.8 For the purposes of section 175 (*Disposition of assets*) of the Act, the directors may by Resolution of Directors determine that any sale, transfer, lease, exchange or other disposition is in the usual or regular course of the business carried on by the Company and such determination is, in the absence of fraud, conclusive.

## **11. PROCEEDINGS OF DIRECTORS**

- 11.1 Any one director of the Company may call a meeting of the directors by sending a written notice to each other director.
- 11.2 The directors of the Company or any committee thereof may meet at such times and in such manner and places within or outside the British Virgin Islands other than Canada as the directors may determine to be necessary or desirable.
- 11.3 A director is deemed to be present at a meeting of directors if he participates by telephone or other electronic means and all directors participating in the meeting are able to hear each other.
- 11.4 A director shall be given not less than 48 hours notice of meetings of directors, but a meeting of directors held without 48 hours notice having been given to all directors shall be valid if all the directors entitled to vote at the meeting who do not attend waive notice of the meeting, and for this purpose the presence of a director at a meeting shall constitute waiver by that director. The inadvertent failure to give notice of a meeting to a director, or the fact that a director has not received the notice, does not invalidate the meeting.
- 11.5 A director may by a written instrument appoint an alternate who need not be a director and the alternate shall be entitled to attend meetings in the absence of the director who appointed him and to vote in place of the director until the appointment lapses or is terminated.
- 11.6 A meeting of directors is duly constituted for all purposes if at the commencement of the meeting there are present in person or by alternate not less than one-half of the total number of directors, a majority of whom shall be non resident of Canada, unless there are only 2 directors in which case the quorum is 2.
- 11.7 At meetings of directors at which the Chairman of the Board is present, he shall preside as chairman of the meeting. If there is no Chairman of the Board or if the Chairman of the Board is not present at the meeting, or willing or able to chair the meeting, the directors present shall choose one of their number to be chairman of the meeting.
- 11.8 An action that may be taken by the directors or a committee of directors at a meeting may also be taken by a Resolution of Directors or a resolution of a committee of directors consented to in writing by all directors or by all members of the committee, as the case may be, without the need for any notice. The consent may be in the form of counterparts each counterpart being signed by one or more directors. If the consent is in one or more counterparts, and the counterparts bear different dates, then the resolution shall take effect on the date upon which the last director has consented to the resolution by signed counterparts.

## 12. COMMITTEES

- 12.1 The directors may, by Resolution of Directors, designate one or more committees, each consisting of one or more directors, and delegate one or more of their powers, including the power to affix the Seal, to the committee.
- 12.2 The directors have no power to delegate to a committee of directors any of the following powers:
- (a) to amend the Memorandum or the Articles;
  - (b) to designate committees of directors;
  - (c) to delegate powers to a committee of directors;
  - (d) to appoint or remove directors;
  - (e) to appoint or remove an agent;
  - (f) to approve a plan of merger, consolidation or arrangement;
  - (g) to make a declaration of solvency or to approve a liquidation plan; or
  - (h) to make a determination that immediately after a proposed Distribution the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 12.3 Sub-Regulations 12.2(b) and (c) do not prevent a committee of directors, where authorised by the Resolution of Directors appointing such committee or by a subsequent Resolution of Directors, from appointing a sub-committee and delegating powers exercisable by the committee to the sub-committee.
- 12.4 The meetings and proceedings of each committee of directors consisting of 2 or more directors shall be governed *mutatis mutandis* by the provisions of the Articles regulating the proceedings of directors so far as the same are not superseded by any provisions in the Resolution of Directors establishing the committee. Except that where there is a committee of directors consisting of 2 directors, the quorum for a meeting is 2 directors.
- 12.5 Where the directors delegate their powers to a committee of directors they remain responsible for the exercise of that power by the committee, unless they believed on reasonable grounds at all times before the exercise of the power that the committee would exercise the power in conformity with the duties imposed on directors of the Company under the Act.

## 13. OFFICERS AND AGENTS

- 13.1 The Company may by Resolution of Directors appoint officers of the Company at such times as may be considered necessary or expedient. Such officers may consist of a Chairman of the Board of Directors, a Chief Executive Officer ("CEO") and one or more vice-presidents, secretaries and treasurers and such other officers as may from time to time be considered necessary or expedient. Any number of offices may be held by the same person.
- 13.2 The officers shall perform such duties as shall be prescribed at the time of their appointment subject to any modification in such duties as may be prescribed thereafter by Resolution of Directors, but in the absence of any specific allocation of duties each officer as set out below shall have the following responsibilities:
- (a) Chairman of the Board of Directors – Subject to the provisions of the Act or the Articles, preside at all meetings of the Shareholders and of the Board of Directors and have such other powers and duties as the Board of Directors may specify. During the absence or disability of the Chairman of the Board of Directors, his duties shall be performed and his powers exercised by the CEO.

- (b) CEO - Subject to any duties imposed upon the Chairman of the Board of Directors, if one is appointed, the CEO shall preside at all meetings of Shareholders and is responsible for the general supervision, subject to the authority of the Board of Directors, of the business and affairs of the Company.
  - (c) Vice Presidents - During the absence or inability of the CEO to act, his duties shall be performed and his powers shall be exercised by the vice-president, if any, or if there is more than one, by the vice-president selected by the Board of Directors. A vice-president shall also perform such duties and exercise such powers as the CEO or the Board of Directors may from time to time delegate to him.
  - (d) Secretaries – A secretary shall:
    - (i) give or cause to be given all notices required to be given to Shareholders, directors, auditors and members of committees;
    - (ii) attend all meetings of directors, Shareholders and committees and enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; and
    - (iii) be the custodian of all books, papers, records, documents, corporate seals, if any, and other instruments and maintain the register of members, minute books and records (other than financial records) of the Company save those entrusted by Resolution of Directors to the custody of the treasurer or other officer or agent of the Company and to ensure compliance with all procedural requirements imposed on the Company by applicable law. The secretary may delegate his duties to a nominee from time to time.
  - (e) Treasurers - A treasurer shall keep or cause to be kept full and accurate books of account in which shall be recorded all receipts and disbursements of the Company; control the deposit of money, the safekeeping of securities and the disbursement of funds; and render to the Board of Directors, whenever required of him, an account of the financial affairs of the Company.
- 13.3 The powers and duties of all other officers shall be such as the terms of their engagement call for or as the Board of Directors may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant unless the Board of Directors otherwise directs.
- 13.4 The Board of Directors may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.
- 13.5 The emoluments of all officers shall be fixed by Resolution of Directors.
- 13.6 The terms of employment of the officers shall be determined by Resolution of Directors. In the absence of written agreement to the contrary the officers of the Company shall hold office until their successors are duly appointed, but any officer elected or appointed by the directors may be removed at any time, with or without cause, by Resolution of Directors. Any vacancy occurring in any office of the Company may be filled by Resolution of Directors.
- 13.7 The Board of Directors may at any time require any officer, employee or agent of the Company to furnish a bond for the faithful discharge of his duties, in such form and with such surety as the

Board of Directors determine. The directors may, by Resolution of Directors, appoint any person, including a person who is a director, to be an agent of the Company.

- 13.8 An agent of the Company shall have such powers and authority of the directors, including the power and authority to affix the Seal, as are set forth in the Articles or in the Resolution of Directors appointing the agent, except that no agent has any power or authority prohibited under the Act.

#### **14. CONFLICT OF INTERESTS**

- 14.1 A director of the Company shall, forthwith after becoming aware of the fact that he is interested in a transaction entered into or to be entered into by the Company, disclose the interest to all other directors of the Company.

- 14.2 For the purposes of Sub-Regulation 14.1, a disclosure to all other directors to the effect that a director is a member, director or officer of another named entity or has a fiduciary relationship with respect to the entity or a named individual and is to be regarded as interested in any transaction which may, after the date of the entry into the transaction or disclosure of the interest, be entered into with that entity or individual, is a sufficient disclosure of interest in relation to that transaction.

- 14.3 A director of the Company who is interested in a transaction entered into or to be entered into by the Company may:

- (a) vote on a matter relating to the transaction;
- (b) attend a meeting of directors at which a matter relating to the transaction arises and be included among the directors present at the meeting for the purposes of a quorum; and
- (c) sign a document on behalf of the Company, or do any other thing in his capacity as a director, that relates to the transaction,

and, subject to compliance with the Act shall not, by reason of his office be accountable to the Company for any benefit which he derives from such transaction and no such transaction shall be liable to be avoided on the grounds of any such interest or benefit.

#### **15. INDEMNIFICATION**

- 15.1 Subject to the limitations hereinafter provided the Company shall indemnify against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred in connection with legal, administrative or investigative proceedings any person who:

- (a) is or was a party or is threatened to be made a party to any threatened, pending or completed proceedings, whether civil, criminal, administrative or investigative, by reason of the fact that the person is or was a director or officer of the Company; or
- (b) is or was, at the request of the Company, serving as a director of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise.

- 15.2 The indemnity in Sub-Regulation 15.1 only applies if the person acted honestly and in good faith with a view to the best interests of the Company and, in the case of criminal proceedings, the person had no reasonable cause to believe that their conduct was unlawful.

- 15.3 The decision of the directors as to whether the person acted honestly and in good faith and with a view to the best interests of the Company and as to whether the person had no reasonable cause to believe that his conduct was unlawful is, in the absence of fraud, sufficient for the purposes of the Articles, unless a question of law is involved.

- 15.4 The termination of any proceedings by any judgment, order, settlement, conviction or the entering of a *nolle prosequi* does not, by itself, create a presumption that the person did not act honestly and in good faith and with a view to the best interests of the Company or that the person had reasonable cause to believe that his conduct was unlawful.
- 15.5 If a person referred to in Sub-Regulation 15.1 has been successful in defence of any proceedings referred to in Sub-Regulation 15.1, the person is entitled to be indemnified against all expenses, including legal fees, and against all judgments, fines and amounts paid in settlement and reasonably incurred by the person in connection with the proceedings.
- 15.6 The Company may purchase and maintain insurance in relation to any person who is or was a director, officer or liquidator of the Company, or who at the request of the Company is or was serving as a director, officer or liquidator of, or in any other capacity is or was acting for, another body corporate or a partnership, joint venture, trust or other enterprise, against any liability asserted against the person and incurred by the person in that capacity, whether or not the Company has or would have had the power to indemnify the person against the liability as provided in the Articles.

## 16. RECORDS

- 16.1 The Company shall keep the following documents at the office of its registered agent:
- (a) the Memorandum and the Articles;
  - (b) the register of members; or a copy of the register of members;
  - (c) the register of directors, or a copy of the register of directors; and
  - (d) copies of all notices and other documents filed by the Company with the Registrar of Corporate Affairs in the previous 10 years.
- 16.2 Until the directors determine otherwise by Resolution of Directors, the Company shall keep the original register of members and original register of directors at the office of its registered agent.
- 16.3 If the Company maintains only a copy of the register of members or a copy of the register of directors at the office of its registered agent, it shall:
- (a) within 15 days of any change in either register, notify the registered agent in writing of the change; and
  - (b) provide the registered agent with a written record of the physical address of the place or places at which the original register of members or the original register of directors is kept.
- 16.4 The Company shall keep the following records at the office of its registered agent or at such other place or places, within or outside the British Virgin Islands, as the directors may determine:
- (a) minutes of meetings and Resolutions of Shareholders and classes of Shareholders; and
  - (b) minutes of meetings and Resolutions of Directors and committees of directors.
- 16.5 Where any original records referred to in this Regulation are maintained other than at the office of the registered agent of the Company, and the place at which the original records is changed, the Company shall provide the registered agent with the physical address of the new location of the records of the Company within 14 days of the change of location.
- 16.6 The records kept by the Company under this Regulation shall be in written form or either wholly or partly as electronic records complying with the requirements of the Electronic Transactions Act, 2001 (No. 5 of 2001) as from time to time amended or re-enacted.

16.7 Each shareholder shall be entitled, upon making a request to the Company in writing, to receive a copy of the register of members of the Company.

**17. REGISTER OF CHARGES**

The Company shall maintain at the office of its registered agent a register of charges in which there shall be entered the following particulars regarding each mortgage, charge and other encumbrance created by the Company:

- (a) the date of creation of the charge;
- (b) a short description of the liability secured by the charge;
- (c) a short description of the property charged;
- (d) the name and address of the trustee for the security or, if there is no such trustee, the name and address of the chargee;
- (e) unless the charge is a security to bearer, the name and address of the holder of the charge; and
- (f) details of any prohibition or restriction contained in the instrument creating the charge on the power of the Company to create any future charge ranking in priority to or equally with the charge.

**18. SEAL**

The Company shall have a Seal an impression of which shall be kept at the office of the registered agent of the Company. The Company may have more than one Seal and references herein to the Seal shall be references to every Seal which shall have been duly adopted by Resolution of Directors. The directors shall provide for the safe custody of the Seal and for an imprint thereof to be kept at the registered office. Except as otherwise expressly provided herein the Seal when affixed to any written instrument shall be witnessed and attested to by the signature of any one director or other person so authorised from time to time by Resolution of Directors. Such authorisation may be before or after the Seal is affixed, may be general or specific and may refer to any number of sealings. The directors may provide for a facsimile of the Seal and of the signature of any director or authorised person which may be reproduced by printing or other means on any instrument and it shall have the same force and validity as if the Seal had been affixed to such instrument and the same had been attested to as hereinbefore described.

**19. DISTRIBUTIONS BY WAY OF DIVIDEND**

- 19.1 The directors of the Company may, by Resolution of Directors, authorise a Distribution by way of dividend at a time and of an amount they think fit if they are satisfied, on reasonable grounds, that, immediately after the Distribution, the value of the Company's assets will exceed its liabilities and the Company will be able to pay its debts as they fall due.
- 19.2 Dividends may be paid in money, shares, or other property.
- 19.3 Notice of any dividend that may have been declared shall be given to each Shareholder as specified in Sub-Regulation 22.1 and all dividends unclaimed for 3 years after having been declared may be forfeited by Resolution of Directors for the benefit of the Company.
- 19.4 No dividend shall bear interest as against the Company and no dividend shall be paid on Treasury Shares.
- 19.5 The directors of the Company may fix in advance a date as the record date for the purpose of determining the Shareholders entitled to receive a Distribution by way of dividend.

**20. BONUS SHARES**

The Company may issue bonus Shares and the directors of the Company may fix in advance a date as the record date for the purpose of determining the Shareholders entitled to receive such bonus Shares.

**21. ACCOUNTS AND AUDIT**

- 21.1 The Company shall keep records that are sufficient to show and explain the Company's transactions and that will, at any time, enable the financial position of the Company to be determined with reasonable accuracy.
- 21.2 The Company may by Resolution of Shareholders call for the directors to prepare periodically and make available a profit and loss account and a balance sheet. The profit and loss account and balance sheet shall be drawn up so as to give respectively a true and fair view of the profit and loss of the Company for a financial period and a true and fair view of the assets and liabilities of the Company as at the end of a financial period.
- 21.3 The Company may by Resolution of Shareholders call for the accounts to be examined by auditors.
- 21.4 The first auditors shall be appointed by Resolution of Directors; subsequent auditors shall be appointed by Resolution of Directors and such subsequent appointment shall be ratified by the Shareholders at the next meeting of Shareholders designated as an "annual meeting".
- 21.5 The auditors may be Shareholders, but no director or other officer shall be eligible to be an auditor of the Company during their continuance in office.
- 21.6 The remuneration of the auditors of the Company:
- (a) in the case of auditors appointed by the directors, may be fixed by Resolution of Directors; and
  - (b) subject to the foregoing, shall be fixed by Resolution of Shareholders or in such manner as the Company may by Resolution of Shareholders determine.
- 21.7 The auditors shall examine each profit and loss account and balance sheet required to be laid before a meeting of the Shareholders or otherwise given to Shareholders and shall state in a written report whether or not:
- (a) in their opinion the profit and loss account and balance sheet give a true and fair view respectively of the profit and loss for the period covered by the accounts, and of the assets and liabilities of the Company at the end of that period; and
  - (b) all the information and explanations required by the auditors have been obtained.
- 21.8 The report of the auditors shall be annexed to the accounts and shall be read at the meeting of Shareholders at which the accounts are laid before the Company or shall be otherwise given to the Shareholders.
- 21.9 Every auditor of the Company shall have a right of access at all times to the books of account and vouchers of the Company, and shall be entitled to require from the directors and officers of the Company such information and explanations as he thinks necessary for the performance of the duties of the auditors.
- 21.10 The auditors of the Company shall be entitled to receive notice of, and to attend any meetings of Shareholders at which the Company's profit and loss account and balance sheet are to be presented.



**22. NOTICES**

- 22.1 Any notice, information or written statement to be given by the Company to Shareholders may be given by personal service or by mail addressed to each Shareholder at the address shown in the register of members.
- 22.2 Any summons, notice, order, document, process, information or written statement to be served on the Company may be served by leaving it, or by sending it by registered mail addressed to the Company, at its registered office, or by leaving it with, or by sending it by registered mail to, the registered agent of the Company.
- 22.3 Service of any summons, notice, order, document, process, information or written statement to be served on the Company may be proved by showing that the summons, notice, order, document, process, information or written statement was delivered to the registered office or the registered agent of the Company or that it was mailed in such time as to admit to its being delivered to the registered office or the registered agent of the Company in the normal course of delivery within the period prescribed for service and was correctly addressed and the postage was prepaid.

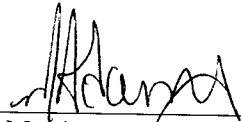
**23. VOLUNTARY LIQUIDATION**

The Company may by Resolution of Shareholders appoint a voluntary liquidator.

**24. CONTINUATION**

Subject to Sub-Regulation 8, the Company may by Resolution of Shareholders continue as a company incorporated under the laws of a jurisdiction outside the British Virgin Islands in the manner provided under those laws.

We, HARNEYS CORPORATE SERVICES LIMITED of Craigmuir Chambers, Road Town, Tortola, British Virgin Islands for the purpose of continuing the Company as a BVI Business Company under the laws of the British Virgin Islands hereby sign this Articles of Association on behalf of the Shareholders this 30<sup>th</sup> day of November, 2012.



Monique Adams

*Authorised Signatory*

HARNEYS CORPORATE SERVICES LIMITED