



## **STATEMENT OF SIGNIFICANT WAYS THE COMPANY'S CORPORATE GOVERNANCE PRACTICES MAY DIFFER FROM THOSE OF U.S. COMPANIES PURSUANT TO NYSE AMEX STANDARDS**

### **Quorum**

Section 123 of the NYSE Amex Company Guide (the "Guide") requires a quorum of not less than 33 1/3 of a listed company's shares issued and outstanding entitled to vote at a meeting of shareholders.

The Articles of the Company (which are equivalent to by-laws) provide for the conduct of meetings of shareholders and more specifically the quorum requirements for shareholders meetings are as follows:

11.3 Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is one person present or represented by proxy.

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

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

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

- (1) in the case of a general meeting requisitioned by the shareholders, the meeting is dissolved.
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

11.7 If, at the meeting to which the meeting referred to in Article 11.7 (2) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting, the meeting shall be terminated.

(the "Quorum Provisions")

The Quorum Provisions are not prohibited by the laws or practices of the Province and are in accordance with the laws and practices of the Province.

### **Notice Provisions**

Section 703 of the Guide provides that a listed company is required to give written notice at least 10 days in advance of all shareholders meetings and to provide for such notice in its by-laws.

Article 10.5 provides that subject to Article 10.2, the Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by directors' resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

In addition the Company is subject to securities regulatory instrument National Instrument 54-101 which provides, inter alia, for the sending of materials for a meeting to beneficial holders at least 21 days before the meeting.

### **Proxy Solicitation**

The Guide requires the solicitation of proxies and delivery of proxy statements for all shareholders meetings and that such solicitation be in accordance with SEC proxy rules.

The Company solicits proxies in accordance with the applicable rules and regulations in Canada.

### **Shareholder Approval**

Section 713 of the Guide requires shareholder approval in accordance with Section 705 as a prerequisite to approval of applications to list additional shares in connection with the sale, issuance or potential issuance by the company of common stock (or securities convertible into common stock) equal to 20% or more of presently outstanding stock for less than the greater of book or market value of the stock.

Canadian corporate law and securities regulatory practice permits the sale, issuance or potential issuance at less than market value of the stock.

Section 711 of the Guide requires shareholder approval where controlling shareholders, officers, directors or key employees may acquire (other than as part of a public offering as determined in accordance with the criteria set forth in the Guide) stock or convertible securities of a company.

Canadian corporate law and securities regulatory practice permits the sale, issuance or potential issuance at less than market value of the stock.

Under Section 110 the Company may, from time to time, make application to NYSE Amex for permission as a foreign company to dispense with certain NYSE shareholder approval requirements.