



BUSINESS CORPORATIONS ACT
FORM 5

Certificate of Amendment


EUROPEAN GOLDFIELDS LIMITED

I hereby certify that the articles of the above-mentioned corporation were amended:

- under section 16 of the Business Corporations Act to change the name of the corporation in accordance with the attached notice.
- under section 30 of the Business Corporations Act as set out in the attached Articles of Amendment designating a series of shares.
- under section 179 of the Business Corporations Act as set out in the attached Articles of Amendment.
- under section 194 of the Business Corporations Act as set out in the attached Articles of Reorganization
- under section 195 of the Business Corporations Act as set out in the attached Articles of Arrangement.



Corporate Access Number: 27809
Date of Amendment: 2000-06-13



Laura Perrier, Deputy
Registrar of Corporations

BUSINESS CORPORATIONS ACT (YUKON)
(Section 195)

Form 5-03

ARTICLES OF ARRANGEMENT

1. Name of Corporation: EUROPEAN GOLDFIELDS LIMITED
2. Corporate Access Number: 27809

3. In accordance with the Order approving the Arrangement, the Articles of the Corporation are amended as follows:

- (a) The Arrangement shall take effect in accordance with the terms and conditions set out in the Plan of Arrangement, a copy of which is attached hereto as Exhibit 1.
- (b) For greater certainty, the authorized share capital of the Corporation is as follows:
 - i. unlimited number of Common Shares without par or nominal value; and
 - ii. unlimited number of Preferred Shares without par or nominal value, issuable in series;

with the special rights and restrictions attached to such shares of the Corporation attached hereto as Exhibit 2.

4. Date	Signature	Title
June 13, 2000	Frank Wheatly	President

FILED

JUN 13 2000

REGISTRAR OF CORPORATIONS

EXHIBIT 1 TO THE ARTICLES OF ARRANGEMENT
OF EUROPEAN GOLDFIELDS LIMITED

PLAN OF ARRANGEMENT UNDER SECTION 195
OF THE *BUSINESS CORPORATIONS ACT* (YUKON)

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

- (a) "**Arrangement**" means the statutory arrangement involving Gabriel, its Securityholders and European Goldfields proposed under the provisions of Section 195 of the YBCA, on the terms and conditions set out in this Plan of Arrangement or any amendment or variation thereto made in accordance with the terms of the Arrangement Agreement;
- (b) "**Arrangement Agreement**" means the arrangement agreement dated March 9, 2000 between Gabriel and European Goldfields to which this Plan of Arrangement is attached as Appendix I, as the same may be supplemented or amended from time to time;
- (c) "**Arrangement Record Date**" means May 25, 2000;
- (d) "**Articles of Arrangement**" means the articles of arrangement of Gabriel and European Goldfields to be filed with the Registrar in connection with the Arrangement, in substantially the form attached as Appendix II to the Arrangement Agreement;
- (e) "**Business Day**" means any day, which is not a Saturday or a Sunday, or a statutory holiday in British Columbia;
- (f) "**Castle Europa**" means Castle Europa Limited, a corporation incorporated pursuant to the laws of the Bahamas and a wholly-owned subsidiary of Gabriel;
- (g) "**CDNX**" means the Canadian Venture Exchange;
- (h) "**Certificates of Arrangement**" means the certificates of arrangement of each of Gabriel and European Goldfields to be issued by the Registrar giving effect to the Arrangement;
- (i) "**Circular**" means the definitive form, together with any amendments thereto, of the management proxy circular of Gabriel to be prepared and sent to the Securityholders in connection with the Meeting;
- (j) "**Court**" means the Supreme Court of the Yukon Territory;
- (k) "**Deva Gold**" means Deva Gold S.A., a corporation incorporated pursuant to the laws of Romania and an indirectly held majority owned subsidiary of Gabriel;

- l) "**Deva Gold (Barbados)**" means Deva Gold (Barbados) Ltd., a corporation incorporated pursuant to the laws of Barbados and a wholly-owned subsidiary of European Goldfields (Barbados);
- (m) "**Effective Date**" means the date upon which the Final Order is accepted for filing by the Registrar under the YBCA giving effect to the Arrangement;
- (n) "**Effective Time**" means 12:01 a.m., Vancouver time, on the Effective Date;
- (o) "**European Goldfields**" means European Goldfields Ltd., a corporation incorporated under the YBCA in order to facilitate the Arrangement;
- (p) "**European Goldfields Common Share**" means any one of the common shares of European Goldfields to be issued to holders of Gabriel Class A Preferred Shares under the Arrangement in exchange for such Gabriel Class A Preferred Shares;
- (q) "**European Goldfields Note**" means the demand, non-interest bearing promissory note to be issued by European Goldfields to Gabriel in the principal amount equal to the Net Fair Market Value of the Transferred Assets;
- (r) "**Final Order**" means the final order of the Court approving the Arrangement pursuant to the YBCA;
- (s) "**Gabriel**" means Gabriel Resources Ltd., a company continued under the YBCA;
- (t) "**Gabriel Common Share**" means any one of the common shares which Gabriel is authorized to issue;
- (u) "**Gabriel Jersey**" means Gabriel Resources (Jersey) Limited, a corporation incorporated pursuant to the laws of the Channel Islands and a wholly-owned subsidiary of Gabriel;
- (v) "**Gabriel Note**" means the demand, non-interest bearing promissory note to be issued by Gabriel to European Goldfields in the principal amount equal to the aggregate Redemption Amount of the Gabriel Class A Preferred Shares, in full and absolute payment, satisfaction and discharge of such aggregate Redemption Amount;
- (w) "**Gabriel Options**" means the rights (whether or not vested) to purchase Gabriel Common Shares which are presently or from time to time outstanding;
- (x) "**Gabriel Class A Preferred Shares**" means the redeemable, retractable Class A Preferred Shares of Gabriel which Gabriel will be authorized to issue upon the Arrangement becoming effective and which are to be issued under the Arrangement to holders of Gabriel Class B Preferred Shares in exchange for such Gabriel Class B Preferred Shares, and having the terms and conditions set out in Exhibit 2 to Appendix II to the Arrangement Agreement;

- (y) "**Gabriel Class B Preferred Shares**" means the redeemable, convertible Class B Preferred Shares of Gabriel which Gabriel will be authorized to issue upon the Arrangement becoming effective and which are to be issued under the Arrangement to the holders of Gabriel Common Shares in exchange, in part, for such Gabriel Common Shares, and having the terms and conditions set out in Exhibit 2 to Appendix II to the Arrangement Agreement;
- (z) "**Gabriel Class C Preferred Shares**" means the redeemable, convertible Class C Preferred Shares of Gabriel which Gabriel will be authorized to issue upon the Arrangement becoming effective and which are to be issued under the Arrangement to the holders of Gabriel Common Shares in exchange, in part, for such Gabriel Common Shares, and having the terms and conditions set out in Exhibit 2 to Appendix II to the Arrangement Agreement;
- (aa) "**Gabriel Class D Preferred Shares**" means the Class D Preferred Shares of Gabriel issuable in series which Gabriel will be authorized to issue upon the Arrangement becoming effective and having the terms and conditions set out in Exhibit 2 to Appendix II to the Arrangement Agreement;
- (bb) "**Gabriel Warrants**" means the presently outstanding common share purchase warrants of Gabriel entitling the holders to purchase Gabriel Common Shares in accordance with the terms and conditions thereof;
- (cc) "**holder**" means, when not qualified by the adjective "registered", the person entitled to a share hereunder whether or not registered or entitled to be registered in respect thereof in the register of members of Gabriel or European Goldfields, as the case may be;
- (dd) "**ITA**" means the *Income Tax Act* (Canada), as amended;
- (ee) "**Meeting**" means the annual and special meeting of the Securityholders to be held to consider, among other matters, the Arrangement, and any adjournment thereof;
- (ff) "**Net Fair Market Value**" means an amount determined by the board of directors as of the Effective Date, as being an amount equal to the fair market value of the Transferred Assets;
- (gg) "**New Gabriel Common Share**" means any one of the common shares without par value of Gabriel which Gabriel will be authorized to issue upon the Effective Date and for which the Gabriel Common Shares are, in part, to be exchanged under the Arrangement Agreement and having the terms and conditions set out in Appendix II to the Arrangement Agreement;
- (hh) "**Plan of Arrangement**" means this plan of arrangement, as it may be amended from time to time in accordance with section 6.1 of the Arrangement Agreement;
- (ii) "**Redemption Amount**" means the amount for which each Gabriel Class A Preferred Share is redeemable, as referred to in subsection 3.1(i) of this Plan of Arrangement, and as determined by the board of directors of Gabriel in accordance with the redemption provisions of the Gabriel Class A Preferred Shares, which provisions are set forth in section 4 to the

Articles of Arrangement attached as Appendix II to the Arrangement Agreement;

- (jj) "**Registrar**" means collectively the Registrar of Corporations and the Registrar of Securities for the Yukon Territory;
- (kk) "**Securities**" means collectively, the Gabriel Common Shares, Gabriel Options, Gabriel Warrants and all other rights to acquire Gabriel Common Shares;
- (ll) "**Securityholders**" means the Shareholders and Rightsholders collectively;
- (mm) "**Shareholders**" means the holders of Gabriel Common Shares;
- (nn) "**Transfer Agent**" means Pacific Corporate Trust Company;
- (oo) "**Transferred Assets**" means all of the issued and outstanding shares of Deva Gold currently held by Gabriel, representing 60% of the total issued share capital of Deva Gold, and the Transferred Cash;
- (pp) "**Transferred Cash**" means the \$2 million in cash transferred by Gabriel to European Goldfields pursuant to Article 3 of this Agreement;
- (qq) "**YBCA**" means the *Business Corporations Act* (Yukon Territory), as amended; and
- (rr) "**1933 Act**" means the *United States Securities Act of 1933*, as amended.

1.2 Interpretation Not Affected By Headings

The division of this Plan of Arrangement into articles, sections, and other portions, and the insertion of headings are for the convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereunder" and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or part hereof. Unless something in the subject matter or context is inconsistent therewith, all references herein to articles, sections and other portions are to articles, sections and other portions to this Plan of Arrangement.

1.3 Number and Gender

In this Plan of Arrangement, words importing the singular number only shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders, and words importing persons shall include individuals, partnerships, associations, forms, trusts, unincorporated organizations and corporations.

1.4 Statutes

A reference to a statute shall be deemed to include every regulation made pursuant thereto, all amendments to the statute or to any such regulation enforced from time to time, and any statute

or regulation that supplements or supersedes such statute or any such regulation.

1.5 Currency

All references to currency herein are to lawful money of Canada unless otherwise specified herein.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement.

ARTICLE 3 THE ARRANGEMENT

3.1 The Arrangement

On or prior to the Effective Date, the following shall occur and be deemed to occur in the following order without further act or formality and with each transaction or event being deemed to occur immediately after the occurrence of the transaction or event immediately preceding it:

- (a) The Articles of Arrangement of Gabriel will be amended as set out in Exhibit 2 to the Articles of Arrangement (attached as Appendix II to the Arrangement Agreement) to amend the share capital of Gabriel, to create and authorize Gabriel to issue:
 - (i) an unlimited number of New Gabriel Common Shares; and
 - (ii) an unlimited number of Gabriel Class A Preferred Shares, Gabriel Class B Preferred Shares, Gabriel Class C Preferred Shares and Gabriel Class D Preferred Shares with the special rights and restrictions set out in Exhibit 2 to Appendix II to the Arrangement Agreement;
- (b) Gabriel will transfer the Transferred Assets to European Goldfields in consideration for European Goldfields issuing to Gabriel the European Goldfields Note;
- (c) Each Gabriel Common Share issued and outstanding on the Arrangement Record Date will be exchanged for nine Gabriel Class B Preferred Shares and one Gabriel Class C Preferred Share. The aggregate stated capital of each class of Gabriel Class B Preferred Shares and Gabriel Class C Preferred Shares will be determined by the board of directors of Gabriel. Each Shareholder shall cease to be the holder of the Gabriel Common Shares so exchanged and shall become the holder of the number of Gabriel Class B Preferred Shares and Gabriel Class C Preferred Shares issued to such Gabriel Common Shareholder. The name of such Gabriel Common Shareholder shall be removed from the

register of members of the Gabriel Common Shares with respect to the Gabriel Common Shares so exchanged and shall be added to the registers of members of Gabriel Class B and Gabriel Class C Preferred Shares as the holder of the number of Gabriel Class B and Gabriel Class C Preferred Shares, respectively, so issued to such Shareholder;

- (d) The Gabriel Common Shares exchanged for the Gabriel Class B and Class C Preferred Shares shall be cancelled with the appropriate entry being made in the register of shareholders;
- (e) Each Gabriel Class B Preferred Share will be converted into one Gabriel Class A Preferred Share;
- (f) Each Gabriel Class C Preferred Share will be converted into one New Gabriel Common Share;
- (g) Each Shareholder will sell and transfer all of its Gabriel Class A Preferred Shares to European Goldfields in consideration for the issuance by European Goldfields of one European Goldfields Common Share for each ninety Gabriel Class A Preferred Shares so transferred. In connection with such sale and transfer each holder of Gabriel Class A Preferred Shares so sold and transferred shall cease to be the holder of the Gabriel Class A Preferred Shares so sold and transferred and shall become the holder of the number of European Goldfields Common Shares issued to such holder. The name of such holder shall be removed from the register of members of Gabriel Class A Preferred Shares with respect to the Gabriel Class A Preferred Shares so sold and transferred and shall be added to the register of members of European Goldfields as the holder of the number of European Goldfields Common Shares so issued to such holder, and European Goldfields shall be and shall be deemed to be the transferee of the Gabriel Class A Preferred Shares so transferred and the name of European Goldfields shall be entered in the register of members of Gabriel Class A Preferred Shares so sold and transferred to European Goldfields;
- (h) European Goldfields will purchase for cancellation the one European Goldfields Common Share held by Gabriel and European Goldfields will cancel the European Goldfields Common Shares so purchased for cancellation;
- (i) Gabriel will redeem for cancellation all of the issued and outstanding Gabriel Class A Preferred Shares issued to European Goldfields for an amount equal to the aggregate Redemption Amount and shall effect the payment of such aggregate Redemption Amount by issuing to European Goldfields the Gabriel Note so that the Shareholders will then be left holding New Gabriel Common Shares and European Goldfields Common Shares in the same proportion as the Gabriel Common Shares held by such Shareholder on the Arrangement Record Date; and
- (j) Gabriel will pay the principal amount of the Gabriel Note by transferring to European Goldfields the European Goldfields Note which will be accepted by European Goldfields as full payment, satisfaction and discharge of Gabriel's obligation under the Gabriel Note and simultaneously European Goldfields will pay the principal amount of the European

Goldfields Note by transferring to Gabriel the Gabriel Note which will be accepted by Gabriel as full and absolute payment, satisfaction and discharge of European Goldfields's obligation under the European Goldfields Note. The Gabriel Note and the European Goldfields Note will both thereupon be cancelled.

3.2 Other Matters

The following matters will occur on the Effective Date as soon as reasonably practical after completion of the steps necessary to effect the Arrangement set out in paragraph 3.1 above, without any action on the part of the Securityholders:

- (a) The Gabriel Class A Preferred Shares, Gabriel Class B Preferred Shares and Gabriel Class C Preferred Shares shall be delisted from the CDNX;
- (b) The authorized capital of Gabriel will be altered to cancel the Gabriel Class A, B and C Preferred Shares from the share capital which Gabriel is authorized to issue and to redesignate the Gabriel Class D Preferred Shares as Preferred Shares, issuable in series, and Articles of Re-Statement shall be filed with the Registrar;
- (c) The following persons will be appointed to, or confirmed as members of, the board of directors of European Goldfields:

<u>Name</u>	<u>Municipality of Residence</u>
V. Frank Timis	Deva, Romania
Michael van Rens	Perth, Australia
Lawrence Marsland	Denver, Colorado
Simon Lawrence	Vancouver, British Columbia

and;

- (d) Castle Europa will assign to Deva Gold (Barbados) all of its right, title and interest in the Bakadjik project located in Bulgaria for nominal consideration.

3.3 Arrangement Effectiveness

The Arrangement shall become finally and conclusively binding on the Securityholders and each of the corporations referred to above upon the issuance of Certificates of Arrangement, and shall thereupon be deemed effective as of the Effective Time.

3.4 Deemed Fully Paid and Non-Assessable Shares

All New Gabriel Common Shares, Gabriel Class A, B and C Preferred Shares and European Goldfields Common Shares issued pursuant hereto shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the YBCA.

3.5 Supplementary Actions

Notwithstanding that the transaction and events set out in section 3.1 shall occur and shall be deemed to occur in the order therein set out without any act or formality, each of Gabriel and European Goldfields shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to further document or evidence any of the transactions or events set out in section 3.1, including without limitation, any resolutions of directors authorizing the issue, transfer or purchase for cancellation of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, any promissory notes and receipts therefor and any necessary addition to or deletions from share registers.

ARTICLE 4 CERTIFICATES AND DOCUMENTATION

4.1 New Gabriel Common Share Certificates

From and after the Effective Time, share certificates representing Gabriel Common Shares shall for all purposes be deemed to be share certificates representing New Gabriel Common Shares, and no new share certificates shall be issued with respect to the New Gabriel Common Shares issued in connection with the Arrangement.

4.2 Gabriel Preferred Share Certificates

Recognizing that all of the Gabriel Class B and Class C Preferred Shares issued to the Shareholders will immediately be converted into New Gabriel Common Shares and that the Gabriel Class A Preferred Shares will immediately be acquired by European Goldfields in exchange for European Goldfields Common Shares, Gabriel will not issue certificates representing the Gabriel Class B Preferred Shares, Gabriel Class C Preferred Shares or Gabriel Class A Preferred Shares to Shareholders.

4.3 European Goldfields Common Share Certificates

As soon as practicable after the Effective Time, European Goldfields shall cause to be issued to the registered holders of European Goldfields Common Shares at the close of business on the Arrangement Record Date, share certificates representing in the aggregate the European Goldfields Common Shares to which such holders are entitled following the Effective Date and shall cause such certificates to be delivered or mailed to such holders in accordance with the terms hereof.

4.4 Dividends and Distributions

All dividends paid and distributions made in respect of European Goldfields Common Shares or New Gabriel Common Shares issued after the Effective Date but prior to a certificate therefore being delivered to a Shareholder in accordance with paragraphs 4.1 and 4.3, shall be paid to the Transfer Agent to be held by the Transfer Agent in trust for such Shareholder. The Transfer Agent

shall pay and deliver to any such Shareholder, as soon as reasonably practicable after application therefor is made by such Shareholder to the Transfer Agent in such form as the Transfer Agent may reasonably require, such dividends, distributions, cash and interest accrued, net of withholding and other takes, to which such Shareholder is entitled.

4.5 Entitlement to Options and Warrants

After the Effective Time, all outstanding Gabriel Options will remain as constituted immediately prior to the Effective Time. The board of directors of European Goldfields may grant incentive stock options to purchase European Goldfields Common Shares to its directors, officers, employees and consultants in amounts to be determined by the board of directors of European Goldfields at exercise prices in compliance with the requirements of the CDNX.

After the Effective Date, pursuant to the anti-dilution provisions contained in the certificates representing the Gabriel Warrants each whole Gabriel Warrant outstanding on the Arrangement Record Date will entitle the holder thereof to receive, upon exercise on or after the Effective Date, one New Gabriel Common Share and one tenth of a European Goldfields Common Share at an aggregate exercise price equal to the exercise price provided for in the certificate representing such Gabriel Warrant, subject to the terms and conditions contained in such certificate. Holders of Gabriel Warrants will not be permitted to exercise Gabriel Warrants to purchase either Gabriel Common Shares or European Goldfields Common Shares separately from each other. A holder of Gabriel Warrants who partially exercises such Gabriel Warrants after the Effective Date will be obligated to exercise such Gabriel Warrants in multiples of ten to avoid subscriptions for fractions of European Goldfields Common Shares. The cash consideration for the Gabriel Warrants exercised after the Effective Date will be retained by Gabriel and the European Goldfields Common Shares issuable on exercise of the Gabriel Warrants will be issued at a price per European Goldfields Common Share equal to the value of the Transferred Assets divided by the number of European Goldfields Common Shares outstanding after the Effective Date.

From the Effective Time, certificates representing Gabriel Warrants which were outstanding on the Arrangement Record Date will represent rights to purchase the same number of New Gabriel Common Shares as represented by the certificate and one-tenth that number of European Goldfields Common Shares. Neither Gabriel nor European Goldfields will issue new warrant certificates representing such rights.

4.6 Fractional Shares

No fractional shares, including shares issuable upon the exercise of any Gabriel Warrants after the Effective Date, will be issued, and no cash will be paid in lieu thereof, by either Gabriel or European Goldfields. Any fractions resulting will be rounded to the nearest whole number. No subscription for a fraction of a European Goldfields Common Share will be accepted with respect to the exercise of share purchase warrants as set out in paragraph 4.5 above.

**ARTICLE 5
AMENDMENT AND TERMINATION**

5.1 Amendment

This Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Date, be amended in a manner not materially prejudicial to the Securityholders provided that such amendment be contained in a written document which is filed with the Court.

5.2 Termination

This Plan of Arrangement may, at any time before or after the holding of the Meeting but no later than the Effective Date, be terminated by the Board of Directors of Gabriel without further notice to, or action on the part of, its Securityholders.

Without limiting the generality of the foregoing, Gabriel may terminate this Plan of Arrangement, if prior to the Effective Date, there is a material change in the business, operations, properties, assets, liabilities or condition, financial or otherwise, of Gabriel and its subsidiaries, taken as a whole, or in European Goldfields, or any change in general economic conditions, interest rates or any outbreak or material escalation in, or the cessation of, hostilities or any other calamity or crisis, or there should develop, occur or come into effect any occurrence which has a material effect on the financial markets of Canada and the board of directors of Gabriel determines in its sole judgment that it would be inadvisable in such circumstances for Gabriel to proceed with the Arrangement.

5.3 Effect of Termination

Upon the termination of this Plan of Arrangement pursuant to Section 5.2 hereof, no party shall have any liability or further obligation to any other party hereunder.

EXHIBIT 2

TO THE ARTICLES OF ARRANGEMENT OF EUROPEAN GOLDFIELDS LIMITED.

SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO COMMON SHARES

The common shares (the "Common Shares") shall have attached thereto the following special rights and restrictions.

1. Voting

The holders of the Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation and each Common Share shall confer the right to one vote in person or by proxy at all meetings of the shareholders of the Corporation, other than meetings of the holders of any other class of shares of the Corporation.

2. Dividends

Subject to the rights of the holders of the Preferred Shares, the holders of the Common Shares shall in each year, in the discretion of the directors, be entitled out of monies lawfully available for dividends to pay dividends in such amounts as may be determined in the absolute discretion of the Directors from time to time.

3. Liquidation, Dissolution or Winding-Up

Subject to the rights of the holders of the Preferred Shares, in the event of the liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purposes of winding up its affairs, the remaining property and assets of the Corporation shall be distributed rateably to the holders of the Common Shares.

SPECIAL RIGHTS AND RESTRICTIONS ATTACHING TO THE PREFERRED SHARES

The preferred shares of the Corporation (the "Preferred Shares") shall have attached thereto the following special rights and restrictions.

1. Issued in Series

The Preferred Shares may, upon compliance with the applicable provisions of the *Business Corporations Act* (Yukon Territory) (the "Yukon Act"), be issued at any time and from time to time in one or more series.

2. Directors to Alter Articles

The directors of the Corporation may, by resolution passed before the issuance of Preferred Shares of any series, alter the Articles to fix the number of Preferred Shares in, and to determine the designation of the Preferred Shares of each series and alter the Articles to create, define and attach special rights and restrictions to the Preferred Shares of each series, subject to the special rights and restrictions attached to all Preferred Shares and subject to the provisions of the Yukon

Act.

3. Rights and Restrictions

The Preferred Shares of any series may have attached thereto such special rights and restrictions as may be determined by directors' resolution with respect to each series including (as examples only), without in any way limiting the generality of the foregoing, special rights and restrictions concerning:

- (a) the entitlement to or the rate or amount of dividends, whether cumulative or non-cumulative, the currency or currencies of payment, the date or dates and place or places of payment and the date or dates from which such dividends are to accrue;
- (b) the right to receive notice of or to attend or to vote at any meeting of shareholders of the Corporation;
- (c) the right to convert or exchange Preferred Shares of that series into Common Shares or other shares, bonds, debentures, securities, or otherwise;
- (d) the right of the Corporation to redeem or to purchase Preferred Shares of that series and the amount to be payable on redemption or purchase;
- (e) the right of the holder of a Preferred Share to present that Preferred Share to the Corporation for retraction or repurchase and the amount to be payable on the retraction or repurchase;
- (f) obligations with respect to sinking funds or funds for purchase or redemption of Preferred Shares of that series, rights of retraction or share purchase plans;
- (g) restrictions upon the payment of dividends on, or retirement of, any other shares of the Corporation or of any subsidiary of the Corporation;
- (h) the exercise by the Corporation of any election open to it to make any payments of corporation, income or other taxes;
- (i) the subdivision, consolidation or reclassification of any shares of the Corporation;
- (j) restrictions upon borrowing by the Corporation or by any subsidiary of the Corporation, or the issue by the Corporation of any Preferred Shares in addition to the Preferred Shares of any series at any time outstanding;
- (k) restrictions upon the reduction of capital by the Corporation or by any subsidiary of the Corporation;
- (l) restrictions upon the retirement of notes, bonds or debentures or other indebtedness of the Corporation or of any subsidiary of the Corporation;
- (m) limitations or restrictions upon or regulations concerning the conduct of the business of the Corporation or the investment of its funds;

- (n) the holding of meetings of the holders of the Preferred Shares of any series;
- (o) restrictions upon the creation or issuance of any other shares or securities of the Corporation; and
- (p) the entitlement to the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary.

4. Participation

When any fixed cumulative dividends or amounts payable on return of capital are not paid in full, the Preferred Shares of all series shall participate rateably in respect of such dividends including accumulations, if any, in accordance with the sums which would be payable on the Preferred Shares if all such dividends were declared and paid in full, and on any return of capital in accordance with the sums which would be payable on such return of capital if all such sums so payable were paid in full.

5. Preferential Rights

The Preferred Shares shall be entitled to preference over the Common Shares of the Corporation with respect to the payment of dividends and may also be given such other preferences over the Common Shares of the Corporation as may be fixed by the directors of the Corporation as to the respective series authorized to be issued.

6. Distribution of Assets

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Preferred Shares shall be entitled to receive the amount payable on redemption, retraction or repurchase of such shares before any amount shall be paid or any property or assets of the Corporation distributed to the holders of the Common Shares.

7. Parity

The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation whether voluntary or involuntary.

8. Priority for Dividends

No dividends shall at any time be declared or paid on or set apart for payment on the Common Shares of the Corporation unless all dividends up to and including the dividend, if any, payable for the last completed period for which such dividends shall be payable on each series of Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on such Common Shares of the Corporation nor shall the Corporation call for redemption or redeem or purchase for cancellation or reduce or otherwise pay off any of the Preferred Shares (less than the total amount then outstanding) or the Common Shares unless all dividends up to and including the dividend

payable for the last completed period for which such dividends shall be payable on each series of the Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment thereof.

9. Procedure for Amendments

The provisions of clauses 1 to 8 hereof inclusive, the provisions of this clause and the provisions of clause 10 hereof may be repealed, altered, modified, amended or amplified only with the approval of the holders of the Preferred Shares given as hereinafter specified in addition to any other approval required by the Yukon Act.

10. Approval of Holders

The approval of holders of the Preferred Shares as to any and all matters referred to herein may be given by resolution in writing signed by all the holders of Preferred Shares or by resolution passed at a meeting of holders of Preferred Shares duly called and held upon at least 21 days' notice at which the holders of at least a majority of the outstanding Preferred Shares are present or represented by proxy and carried by the affirmative vote of the holders of not less than two-thirds of the Preferred Shares represented and voted at such meeting cast on a poll, in addition to such other vote (including the vote of other classes of shareholders) as may be required by the Yukon Act. If at any such meeting the holders of a majority of the outstanding Preferred Shares are not present or represented by proxy within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date being not less than 21 days later and to such time and place as may be appointed by the Chairman and at least 14 days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called. At such adjourned meeting the holders of Preferred Shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution passed thereat by the affirmative votes of the holders of not less than two-thirds of the Preferred Shares represented and voted at such adjourned meeting cast on a poll shall constitute the approval of the holders of Preferred Shares referred to above. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the Articles of the Corporation with respect to meetings of shareholders. On every poll taken at every such meeting or adjourned meeting every holder of Preferred Shares shall be entitled to one vote in respect of each Preferred Share.

11. Directors to Set Stated Capital

Subject to the Yukon Act, the directors of the Corporation, on conversion, exchange or change under section 175, 194, 195 or 243 of the Yukon Act of issued shares of the Corporation (the "Old Shares") into shares of another class or classes or series, as the case may be (the "New Shares"), may set the stated capital of each class or classes or series of New Series, as the case may be, provided the total stated capital of the class or all of the classes or series of New Shares shall not exceed the total stated capital of the Old Shares.