DEJOUR ENTERPRISES LTD.
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MANAGEMENT INFORMATION CIRCULAR
(contains information as at October 26, 2009)

SOLICITATION OF PROXIES

This management information circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the Management of DEJOUR ENTERPRISES LTD. (the "**Corporation**") for use at the Annual General Meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of the Corporation, to be held on Thursday, December 17, 2009 at 598-999 Canada Place, Vancouver, British Columbia V6C 3E1, at the hour of 9:00 am (Vancouver time) for the purposes set forth in the notice of the Meeting. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees of the Corporation without special compensation. The cost of solicitation will be borne by the Corporation.

No person is authorized to give any information or to make any representations other than those contained in this Information Circular and, if given or made, such information or representation should not be relied upon as having been authorized.

APPOINTMENT AND USE OF PROXIES

The persons named in the enclosed form of proxy are officers or directors of the Corporation**. A Shareholder has the right to appoint a person, who need not be a Shareholder, other than the persons designated in the form of proxy accompanying this Information Circular, as nominee to attend and act for on behalf of such Shareholder at the Meeting and may exercise such right by inserting the name of such person in the blank space provided on the form of proxy or by executing a proxy in a form similar to the enclosed form.** If a Shareholder appoints one of the persons designated in the accompanying form of proxy as nominee and does not direct the said nominee to vote either for or against or withhold from voting on a matter or matters with respect to which an opportunity has been given to specify how the shares registered in the name of such Shareholder shall be voted, the proxy shall be voted for such matter or matters. The proxy must be signed by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must be executed under its common seal or signed by a duly authorized officer.

To be effective, forms of proxy must be delivered either to the head office of the Corporation at 598-999 Canada Place, Vancouver, British Columbia, V6C 3E1, or to the Corporation's Registrar and Transfer Agent, Computershare Investor Services Inc. Corporation, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the Meeting.

Completion and delivery of proxies may also be done electronically. Shareholders who wish to complete and deliver proxies electronically are urged to contact Computershare Investor Services Inc. to determine the availability of and instructions for the use of this option.

EXERCISE OF VOTE BY PROXY

The shares represented by proxies at the Meeting will be voted for or against or withheld from voting in accordance with the instructions of the Shareholder, so long as such instructions are certain, on any ballot that may be called for. Where the proxy specifies a choice with respect to any matter to be voted upon, the shares to which the proxy pertains, will be voted in accordance with the specification so made**. If no choice is specified in the proxy, the persons designated in the accompanying form of proxy will vote for each of the matters proposed by management at the Meeting and described in the notice of the Meeting.**

The form of proxy accompanying this Information Circular confers discretionary authority upon the nominees named therein with respect to amendments or variations to matters identified in the Notice of Annual Meeting of Shareholders and with respect to other matters which may properly come before the Meeting. Management knows of no matter to come before the Meeting other than those referred to in the accompanying notice of Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the shares represented by proxies given in favour of the persons named therein will be voted on such matters in accordance with the best judgment of such persons.

REVOCABILITY OF PROXY

A Shareholder may revoke a proxy (a) by depositing an instrument in writing executed by him or by his attorney authorized in writing (i) at the registered office of the Corporation or its transfer agent at any time up to and including the last business day preceding the day of the Meeting, or an adjournment thereof, at which the proxy is to be used, or (ii) with the Chairman of the Meeting on the day of the Meeting, or an adjournment thereof, or (b) in any other manner permitted by law. **Only registered Shareholders have the right to revoke a proxy. Non-Registered Holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

Revocation of proxies may also be done electronically. Shareholders who wish to revoke their proxies electronically are urged to contact Computershare Investor Services Inc. to determine the availability of and instructions for the use of this option.

NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Corporation are "non-registered" Shareholders because the common shares of the Corporation (the "**Common Shares**") they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Non-Registered Holder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Common Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("**CDS**") of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Information Circular and the proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

(a) be given a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to submit a proxy should otherwise properly complete the form of proxy and **deliver it to** the head office of the Corporation or Computershare Investor Services Inc. as provided above; or

(b) more typically, be given a voting instruction form **which is not signed by the Intermediary**, and which, when properly completed and signed by the Non-Registered Holder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**Proxy Authorization Form**") which the Intermediary must follow. Typically, the Proxy Authorization Form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the Proxy Authorization Form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the form of proxy to validly constitute a Proxy Authorization Form, the Non-Registered Holder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Holder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Holder should strike out the names of the Management Proxyholders and insert the Non-Registered Holder's name in the blank space provided. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or Proxy Authorization Form is to be delivered.**

In addition, Canadian securities legislation now permits the Corporation to forward meeting materials directly to "non objecting beneficial owners". If the Corporation or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions.

VOTING SHARES AND RECORD DATE

As at October 26, 2009 the issued share capital of the Corporation consisted of 84,679,055 Common Shares. Each holder of Common Shares of record at the close of business on October 26, 2009 (the "**Record Date**") is entitled to one vote for each share then held on all matters to be acted upon at the Meeting.

PRINCIPAL HOLDERS OF VOTING SHARES

To the knowledge of the directors (the "**Directors**") and senior officers of the Corporation, only one person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation. Brownstone Ventures Inc. owns 12,509,771 common shares of the Corporation representing 15.25% of the common shares of the Corporation.

ELECTION OF DIRECTORS

The Corporation's board of Directors (the "**Board**") presently consists of seven Directors. The term of office of each of the present Directors expires at the Meeting. At the Meeting, it is intended to fix the number of Directors at seven and to elect seven Directors for the ensuing year.

The persons named in the accompanying form of proxy intend to vote for the election, as Directors, of the nominees whose names are set forth below. Management does not contemplate that any of the nominees will be unable to serve as Directors but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of proxy reserve the right to vote for another nominee in their discretion unless authority to vote in the election of Directors is withheld. Each Director elected will hold office until the next annual meeting of the Corporation or until their successors are appointed.

The names of and other information about the said nominees are as follows:

	Principal Occupation or Employment and, if not an Elected Director, Occupation During the Past Five Years[(1)]	**Previous Service as a Director**	**No. of Shares Beneficially Owned, or controlled or directed, directly or indirectly, as at October 26, 2009[(1)]**
Robert Hodgkinson *Chief Executive Officer, Chairman and Director*	Chief Executive Officer of the Corporation	June 22, 2004	6,637,840
Darren Devine *Director*	Since 2003, Mr. Devine has been the principal of Chelmer Consulting Corp. that provides corporate finance advisory services to private and public companies. Mr. Devine is qualified as a Barrister and Solicitor in British Columbia and in England and Wales and practiced exclusively in the areas of Corporate Finance and Securities Law with a focus on cross-border listings. Prior to founding Chelmer Consulting Corp. and since 2002, Mr. Devine practiced at the law firm DuMoulin Black LLP.	N/A	Nil
Craig Sturrock (2)(3) *Director*	Craig Sturrock has served as a director and founding member of various public and private companies. Mr. Sturrock was called to the British Columbia Bar in 1969, and he joined the firm Thorsteinssons LLP, tax lawyers in 1971. He served for 15 years as a tax lawyer and partner at Birnie, Sturrock & Company returning to Thorsteinssons as a Partner in 1989. His practice focuses primarily on civil and criminal tax litigation. His litigation experience includes both federal and provincial taxation statutes, with particular reference to criminal litigation and the Charter of Rights. He is an author and speaker for the Canadian and British Columbia Bar Associations, the Continuing Legal Education Society of British Columbia and the Canadian Tax Foundation. He is also a former member of the Board of Governors of the Canadian Tax Foundation.	August 22, 2005	350,000
Stephen R. Mut *Director and Co-Chairman*	Mr. Mut most recently served as chief executive officer of a unit of Shell Exploration and Production Corporation. Prior to joining Shell in 2000, Mr. Mut dedicated much of his career to operational and new business venture activities in the oil and gas, refining and marketing, and chemical and mining sectors at ARCO (Atlantic Richfield Corporation), where he served in various internationally based executive roles in both upstream and downstream businesses.	N/A	175,001

	Principal Occupation or Employment and, if not an Elected Director, Occupation During the Past Five Years[(1)]	Previous Service as a Director	No. of Shares Beneficially Owned, or controlled or directed, directly or indirectly, as at October 26, 2009[(1)]
Richard Patricio (2)(3)(4)(5) *Director*	Mr. Patricio is Vice President Corporate & Legal Affairs and Secretary of Brownstone Ventures Inc. one of Dejour's major shareholders. Mr. Patricio previously practiced law at a top tier law firm in Toronto and worked as in-house General Counsel for a senior TSX listed company. Mr. Patricio is a lawyer qualified to practice in the Province of Ontario.	October 20,2008	Nil [(5)]
Robert Holmes (2)(3)(4) *Director*	Mr. Holmes began his career as an Investment Executive with Merrill, Lynch, Pierce, Fenner & Smith, and subsequently held various senior executive positions with the firm Blyth, Eastman, Dillon & Corporation (purchased by Paine Webber & Co.). In 1980, Mr. Holmes co-founded Gilford Securities, Inc., a member of the NYSE, and in 1992 founded a privately-held company, Gilford Partners.	October 20,2008	663,000
Harrison F. Blacker (4) *Director*	President and COO of Dejour Energy (USA) Inc. Before joining the Corporation, Mr. Blacker was CEO of China Oman Energy Corporation and Senior Investment Advisor and Vice President for Oman Oil Corporation SAOG. He also served on the Board of Directors of China Gas Holdings (Symbol: 0384.hk).	March 25,2008	325,678

(1) The information as to place of residence, principal occupation and the number of shares beneficially owned, or controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective nominees themselves.

(2) Denotes member of the Corporation's Audit Committee.

(3) Denotes member of the Corporation's Compensation Committee.

(4) Denotes member of the Corporation's Reserves Committee.

(5) Mr. Patricio is the Vice-President, Corporate and Legal Affairs of Brownstone Ventures Inc., which owns 12,509,771 common shares of the Corporation.

No proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and executive officers of the Corporation acting solely in such capacity.

To the knowledge of the Corporation, no proposed Director:

(a) is, as at the date of the Information Circular, or has been, within 10 years before the date of the Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that,

(i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or

(d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

The following Directors of the Corporation hold directorships in other reporting issuers as set out below:

Name of Director	Name of Other Reporting Issuer
Robert Hodgkinson	Royce Resources Corp.
Richard Patricio	Titan Uranium Inc. X-Terra Resources Corporation Mega Precious Metals Inc. Quetzal Energy Inc. Vesta Capital Corp.
Robert Holmes	N/A
Stephen R. Mut	N/A
Craig C. Sturrock	N/A
Harrison F. Blacker	N/A
Darren Devine	Petro Vista Energy Corp. Centric Energy Corp. Crazy Horse Resources Inc. Royce Resources Corp.

REPORT ON EXECUTIVE COMPENSATION

To: The Shareholders of Dejour Enterprises Ltd.

Compensation Committee

The Corporation has a Compensation Committee composed of three Directors, Robert Holmes, Craig Sturrock and Richard Patricio.

Role of the Compensation Committee

The Compensation Committee exercises general responsibility regarding overall executive compensation. The Board of Directors sets the annual compensation, bonus and other benefits of the Chief Executive Officer and approves compensation for all other executive officers of the Corporation after considering the recommendations of the Compensation Committee.

Basis of Compensation for Executive Officers

The Corporation compensates its executive officers through a combination of base compensation, bonuses and Common Stock options. The base compensation provides an immediate cash incentive for the executive officers. Bonuses encourage and reward exceptional performance over the financial year. Common Stock options ensure that the executive officers are motivated to achieve long term growth of the Corporation and continuing increases in shareholder value. In terms of relative emphasis, the Corporation places more importance on Common Stock options as long term incentives. Bonuses are related to performance and may form a greater or lesser part of the entire compensation package in any given year. Each of these means of compensation is briefly reviewed in the following sections.

Base Compensation

Base compensation, including that of the Chief Executive Officer, are set by the Compensation Committee and approved by the Board of Directors on the basis of the applicable executive officer's responsibilities, experience and past performance. The compensation program is intended to provide a base compensation competitive among companies of a comparable size and character in the oil and gas industry. In making such an assessment, the Board considers the objectives set forth in the Corporation's business plan and the performance of executive officers and employees in executing the plan in combination with the overall result of the activities undertaken.

Bonuses

An annual bonus may be paid for each fiscal year based on the Board's assessment of the Corporation's general performance and the relative contribution of each of the executive officers, including the Chief Executive Officer, to that performance. No cash bonuses were awarded to the executive officers for 2008.

Common Stock Options

The Corporation provides long term incentive compensation to its executive officers through the Common Stock Option Plan, which is considered an integral part of the Corporation's compensation program.

Upon the recommendation of management and approval by the Board of Directors, stock options are granted under the Corporation's Option Plan to new directors, officers and key employees, usually upon their commencement of employment with the Corporation. The Board approves the granting of additional stock options from time to time based on its assessment of the appropriateness of doing so in light of the long term strategic objectives of the Corporation, its current stage of development, the need to retain or attract key technical and managerial personnel in a competitive industry environment, the number of stock options already outstanding, overall market conditions, and the individual's level of responsibility and performance within the Corporation.

The Board views the granting of stock options as a means of promoting the success of the Corporation and creating and enhancing returns to its shareholders. As such, the Board does not grant stock options in excessively dilutive numbers. Total options outstanding are presently limited to 10% of the total number of shares outstanding under the rules of the TSX. Grant sizes are, therefore, determined by various factors including the number of eligible individuals currently under the Option Plan and future hiring plans of the Corporation.

The Board granted a total of 2,310,000 stock options to the executive officers in 2008.

Submitted by the Board of Directors of Dejour Enterprises Ltd.

STATEMENT OF EXECUTIVE COMPENSATION

The following tables (presented in accordance with National Instrument Form 51-102F6 "**Statement of Executive Compensation**" ("**Form 51-102F6**") sets forth all annual and long term compensation for services in all capacities to the Corporation and its subsidiaries for the three most recently completed financial years (to the extent required by Form 51-102F6) in respect of each of the individuals comprised of the Chief Executive Officer and the Chief Financial Officer as at December 31, 2008 and the other three most highly compensated executive officers of the Corporation as at December 31, 2008 whose individual total salary and bonus for the most recently completed financial year exceeded $150,000 and any individual who would have satisfied these criteria but for the fact that individual was not serving as such an officer at the end of the most recently completed financial year (collectively the "Named Executive Officers" or "NEOs").

Summary Compensation Table

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation		Pension value ($)	All other compensation ($)	Total compensation ($)
					Annual incentive plans (1)	Long-term incentive plans			
Robert Hodgkinson, Chief Executive Officer	2008 2007 2006	256,225 187,500 136,670	Nil Nil Nil	196,750 510,000 322,500	Nil 63,000 63,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	452,975 760,500 522,170
Mathew Wong, Chief Financial Officer	2008 2007 2006	219,925 146,965 107,640	Nil Nil Nil	146,750 75,000 129,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	366,675 221,965 236,640
Harrison F. Blacker, President and Chief Operating Officer	2008	US$187,500 (C$199,875)	Nil	590,000	Nil	Nil	Nil	Nil	789,875
Charles W.E. Dove, President of Dejour Energy (Alberta) Ltd.	2008 2007 2006	213,333 172,750 105,625	Nil Nil Nil	178,000 250,000 129,000	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	Nil Nil Nil	391,333 422,750 234,625

(1) Robert Hodgkinson became the CEO on July 14, 2004.
(2) Mathew Wong became the CFO on July 14, 2004.
(3) Harrison F. Blacker became the President and COO on March 28, 2008.
The 2008 salary for Harrison F. Blacker was converted to Canadian dollars using the 2008 average exchange rate of 1.066 during the year.
(4) Charles W.E. Dove became the President of Dejour Energy (Alberta) Ltd. on April 1, 2006.

Long Term Incentive Plan Awards

Long term incentive plan awards ("**LTIP**") means any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one financial year, whether the performance is measured by reference to financial performance of the Corporation or an affiliate of the Corporation, the price of the Corporation's shares, or any other measure, but does not include option or

stock appreciation rights plans or plans for compensation through restricted shares or units. The Corporation did not award any LTIPs to any Named Executive Officer during the most recently completed financial year ended December 31, 2008. There are no pension plan benefits in place for the Named Executive Officer.

Stock Appreciation Rights

Stock appreciation rights ("**SARs**") means a right, granted by the Corporation or any of its subsidiaries as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Corporation's shares. No SARs were granted to, or exercised by, any Named Executive Officer of the Corporation during the most recently completed financial year ended December 31, 2008.

Outstanding Share-Based Awards and Option-Based Awards

The following table outlines the outstanding share-based awards and option-based awards held by the Named Executive Officers at the end of the fiscal year ended December 31, 2008:

	Option-based Awards				**Share-based Awards**	
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**	**Number of shares or units of shares that have not vested (#)**	**Market or payout value of share-based awards that have not vested ($)**
Robert Hodgkinson, Chief Executive Officer	250,000 510,000 100,000 375000	$2.10 $2.00 $1.40 $0.45	Apr 30, 2009 Oct 31, 2012 Feb 14, 2013 Oct 28, 2013	Nil Nil Nil Nil	N/A	N/A
Mathew Wong, Chief Financial Officer	100,000 75,000 100,000 175,000	$2.10 $2.00 $1.40 $0.45	Apr 30, 2009 Oct 31, 2012 Feb 14, 2013 Oct 28, 2013	Nil Nil Nil Nil	N/A	N/A
Harrison F. Blacker, President and Chief Operating Officer	500,000 300,000	$1.40 $0.45	Feb 14, 2013 Oct 28, 2013	Nil Nil	N/A	N/A
Charles W.E. Dove, President of Dejour Energy (Alberta) Ltd.	100,000 250,000 100,000 300,000	$2.10 $2.00 $1.40 $0.45	Apr 30, 2009 Oct 31, 2012 Feb 14, 2013 Oct 28, 2013	Nil Nil Nil Nil	N/A	N/A

(1) The value of unexercised in-the-money stock options has been determined by subtracting the exercise price at which Common Shares may be acquired pursuant to the exercise of the options from the closing price of the Common Shares on the Exchange of $0.41 on December 31, 2008.

*(2) The exercise price of stock options is determined by the Board but shall in no event be less than the trading price of the common shares of the Corporation on the TSX (the "**Exchange**") at the time of the grant of the option, less the maximum discount permitted under the regulations of the Exchange or such other price as may be agreed to by the Corporation and approved by the Exchange.*

Incentive Plan Awards – Value Vested or Earned During the Year

The following table outlines the incentive plan awards vested or earned by the Named Executive Officers during the fiscal year ended December 31, 2008:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Robert Hodgkinson, Chief Executive Officer	$4,500	N/A	N/A
Mathew Wong, Chief Financial Officer	$4,500	N/A	N/A
Harrison F. Blacker, President and Chief Operating Officer	$22,500	N/A	N/A
Charles W.E. Dove, President of Dejour Energy (Alberta) Ltd.	$4,500	N/A	N/A

Termination of Employment, Changes in Responsibility and Management Contracts:

As at December 31, 2008, the Corporation and its subsidiaries have management contracts with the following Named Executive Officers ("NEOs") or the companies controlled by NEOs:

Name of NEOs	Total Annual Consulting Fees and Salary	Compensation Package on Termination of Contract, other than for termination with cause	Compensation Package on Termination of Contract, in the event of a change of control
Robert Hodgkinson	$229,000	1 times annual base consulting fee	2 times annual base consulting fee
Mathew Wong	$199,000	1 time annual base consulting fee	2 time annual base consulting fee
Harrison F. Blacker	US$250,000 (C$266,500)	1 times annual base consulting fee	2 times annual base consulting fee
Charles W.E. Dove	$229,000	1 times annual base consulting fee	2 times annual base consulting fee

The total compensation for Harrison F. Blacker was converted to Canadian dollars using the 2008 average exchange rate of 1.0660 during the year.

Compensation of Directors

As at December 31, 2008, the Corporation and its subsidiaries have compensation arrangements with the following Directors who are not Named Executive Officers:

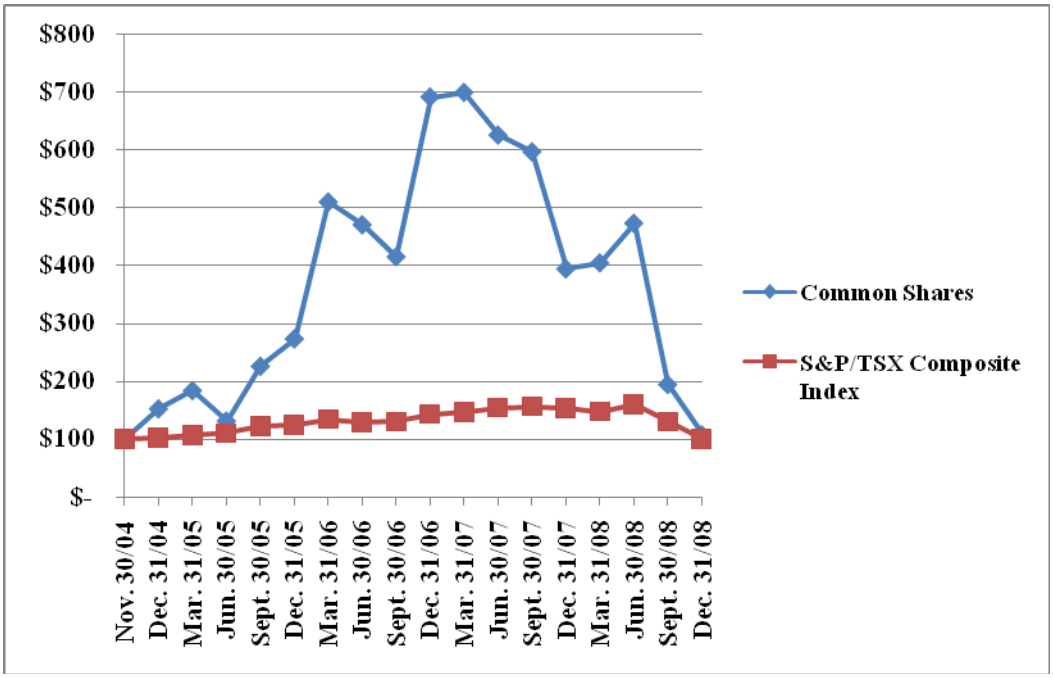
Name	Meeting Attendance Fees
Robert Holmes	$2,500/meeting for first 4 meetings, and $1,500/meeting thereafter
Archibald Nesbitt	$2,500/meeting for first 4 meetings, and $1,500/meeting thereafter
Craig Sturrock	$2,500/meeting for first 4 meetings, and $1,500/meeting thereafter
Richard Patricio	$2,500/meeting for first 4 meetings, and $1,500/meeting thereafter

During the most recently completed financial year ended December 31, 2008, the cash compensation and stock options granted to the Directors who are not Named Executive Officers, for being a member of the Board, were as follows:

Name	Meeting Attendance Fees ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Archibald Nesbitt	$11,500	Nil	$88,000	Nil	Nil	Nil	Nil
Lloyd Clark	$11,500	Nil	$75,500	Nil	Nil	Nil	Nil
Craig Sturrock	$11,500	Nil	$75,500	Nil	Nil	Nil	Nil
Marc Bustin	$10,000	Nil	$88,000	Nil	Nil	Nil	Nil

PERFORMANCE GRAPH

The following graph compares the cumulative total shareholders' return from November 30, 2004, the first day the Shares were reactivated to Tier 1 on the TSX Venture, to December 31, 2008 of $100 invested in the Shares versus the total return of $100 invested in the S&P TSX Composite Index for the same period.



SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the Corporation's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a) and (c))
Equity compensation plans approved by securityholders	7,365,188	$1.22	166,808
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	7,365,188	$1.22	166,808

Information Concerning the Corporation's Stock Option Plan

The Board implemented a stock option plan (the "**2006 Plan**") effective July 1, 2006 which was approved by the TSX Venture Exchange and, on June 2, 2006, by the Shareholders of the Corporation. The Plan is classified as a 10% "rolling" plan pursuant to which the number of common shares which may be issued pursuant to options previously granted and those granted under the Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. Other information relating to the 2006 Plan is as follows:

- The 2006 Plan is administered by the Board of Directors.
- Options may be granted to directors, senior officers, employees, management company employees and consultants of the Corporation.
- As at October 26, 2009, an aggregate of up to 8,467,905 options were issued or issuable under the 2006 Plan, being a number of options equal to 10% of the Corporation's issued and outstanding common shares on such date.
- As at October 26, 2009, an aggregate of 4,204,264 options were outstanding under the 2006 Plan, being a number of options equal to 4.97% of the Corporation's issued and outstanding common shares on such date.
- The number of shares issuable to insiders of the Corporation at any time, under all security based compensation arrangements of the Corporation, cannot exceed 10% of the Corporation's issued and outstanding shares.
- The number of shares issued to any one person under the 2006 Plan, within any one year period, cannot exceed 5% of the Corporation's issued and outstanding shares as at the end of such one year period.
- The number of shares issued to insiders of the Corporation as a group, within any one year period, under all security based compensation arrangements of the Corporation, cannot exceed 10% of the Corporation's issued and outstanding shares as at the end of such one year period.
- The number of shares issued to any one consultant under the 2006 Plan, within any one year period, cannot exceed 2% of the Corporation's issued and outstanding shares as at the end of such one year period.
- The number of shares issued to all persons undertaking investor relations activities under the 2006 Plan, within any one year period, cannot exceed 2% in the aggregate of the Corporation's issued and outstanding shares as at the grant date.
- The Board have the authority to determine the exercise price of the options granted under the 2006 Plan provided that the exercise price must be not less than the last closing price of the common shares on the trading day immediately preceding the grant date.
- The 2006 Plan does not contain provisions allowing for the transform of a stock option into a stock appreciation right.
- Vesting of options is at the discretion of the Board. Options granted to consultants performing investor relations activities must vest in stages over 12 months with no more than one-quarter of the options vesting in any three month period.
- The maximum term of options granted under the 2006 Plan is 5 years from the date of grant.
- If an optionee ceases to be eligible to receive options under the 2006 Plan as a result of termination for cause, any outstanding options held by such optionee on the date of such termination shall be cancelled as of that date.
- If an optionee ceases to be eligible to receive options under the 2006 Plan for reasons other than termination for cause (or death), any outstanding options held by such optionee at such time shall remain exercisable for a period ending on the earlier of the expiry time of such option or 90 days after the optionee ceases to be eligible to receive options (30 days if the optionee was engaged in investor relations activities).
- If an optionee dies, any options held by such optionee at the date of death shall be exercisable in whole or in part for a period of one year after the date of death of the optionee or prior to the expiry date in respect of the option, whichever is sooner.
- Options granted under the 2006 Plan are not assignable or transferable other than pursuant to a will or by the laws of descent and distribution.
- Amendments to the 2006 Plan and the options granted thereunder are subject to shareholder approval and, if required, regulatory approval.
- The 2006 Plan does not contain any provisions relating to the provision of financial assistance by the Corporation to optionees to facilitate the purchase of common shares upon the exercise of options.
- The 2006 Plan contains adjustment provisions pursuant to which the exercise price of an option and/or the number of securities underlying an option may be adjusted in the event of certain capital changes of the Corporation including, without limitation, share

consolidations, stock-splits, dividends and corporate reorganizations. The adjustment provisions are meant to ensure that the rights associated with the option are neither enhanced nor prejudiced as a result of the capital change.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As at October 26, 2009, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Corporation or its subsidiaries which is owing to the Corporation or its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries, entered into in connection with a purchase of securities or otherwise**.**

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Corporation, no proposed nominee for election as a Director of the Corporation and no associate of such persons:

(i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Corporation or its subsidiaries; or

(ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries,

in relation to a securities purchase program or other program.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, none of Directors or executive officers of the Corporation at any time since the beginning of the last financial year of the Corporation, the proposed nominees for election as a Director of the Corporation; or any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of Directors or the appointment of auditors.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person or proposed Director of the Corporation and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Corporation.

APPOINTMENT OF AUDITORS

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Dale Matheson Carr-Hilton LaBonte, Chartered Accountants, of Vancouver, British Columbia, as auditors of the Corporation, to hold office until the close of the next annual general meeting of the Corporation. It is proposed that the remuneration to be paid to the auditors of the Corporation be fixed by the Board.

Labonte & Co., independent Chartered Accountant, was the Corporation's auditor for fiscal years 2000, 2001 and 2002. On January 1, 2004, Labonte & Co. merged with Dale Matheson Carr-Hilton and formed Dale Matheson Carr-Hilton LaBonte. As a result of the merger, Dale Matheson Carr-Hilton LaBonte has been the Corporation's auditor since the fiscal year-ended December 31, 2003.

MANAGEMENT CONTRACTS

No management functions of the Corporation are performed to any substantial degree by a person other than the Directors or executive officers of the Corporation or its subsidiaries.

AUDIT COMMITTEE INFORMATION

Shareholders are directed to Appendix "C" of the Corporation's Annual Information Form for the year ended December 31, 2008 for the audit committee disclosure required by section 5.1 of National Instrument 52-110 – *Audit Committees*.

CORPORATE GOVERNANCE DISCLOSURE

A summary of the responsibilities and activities and the membership of each of the committees are set out below.

National Instrument 58-201 ("**NI 58-201**") establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Corporation's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Independence of Members of Board

The Corporation's Board is expected to consist of seven Directors post-Meeting, four of whom are independent based upon the tests for independence set forth in National Instrument 52-110. Messrs. Sturrock, Devine, Patricio and Holmes are independent. The Chairman of the Board, Mr. Hodgkinson, who is also the Chief Executive Officer of the Corporation, is not an independent Director. The President and COO of the Corporation , Mr. Blacker is not an independent Director. Stephen R. Mut is not an independent Director because his spouse is a senior officer of Dejour Energy (USA) Corp. a wholly owned subsidiary of the Corporation.

The role of the Chairman is to enhance Board effectiveness by ensuring that the responsibilities of the Board are understood by the Board and management, ensuring the Board has adequate resources to support its decision-making requirements, and ensuring there is a process in place for monitoring legislation and best practices and to assess the effectiveness of the Board on a regular basis. The Chairman presides at meetings of the Board and the shareholders of the Corporation, provides leadership to the Board and assists the Board in reviewing and monitoring the strategy, goals, objectives and policies of the Corporation, and communicates with the Board to keep it current on all material developments. The Chairman also ensures that the independent Directors have adequate opportunities to meet to discuss issues without management present and communicates to management as appropriate the results of private discussions among independent Directors. The independent Directors hold regularly scheduled meetings at which non-independent Directors and members of management are not in attendance. Since the beginning of the Corporation's most recently completed fiscal year ended December 31, 2008, the independent Directors have held 3 such meetings.

The attendance record of each Director at Board meetings since the beginning of the Corporation's most recently completed fiscal year ended December 31, 2008 is as follows:

Name	Number of Meetings Attended
Robert Hodgkinson	5 out of 5
Doug Cannaday	4 out of 4
Lloyd Clark	4 out of 4
Craig Sturrock	5 out of 5
Archibald Nesbitt	5 out of 5
Marc Bustin	4 out of 4
Charles Dove	5 out of 5
Stephen R. Mut	N/A
Darren Devine	N/A
Harrison Blacker	1 out of 1
Robert Holmes	1 out of 1
Richard Patrico	1 out of 1

Board Mandate

There is a written bylaw for the responsibilities of the Board. The Board is responsible for managing or supervising the management of the business and affairs of the Corporation and has the authority to exercise all such powers of the Corporation as are not required to be exercised by the Shareholders of the Corporation.

Position Descriptions

The Board Chair is responsible to the Board for annually proposing the leadership and membership of each committee. The Corporation has only formed three committee – the Audit Committee, the Compensation Committee and the Reserves Committee.

The Chairman of the Audit Committee is responsible for presiding at meetings of the Audit Committee and for investigating any complaints made against the Corporation through the whistleblower policy. Any responsibility which is not delegated to senior management or a Board committee remains with the full Board.

The Chairman of the Compensation Committee is responsible for leading the committee in overseeing the management's formulation of human resources and compensation policies and procedures of the Corporation.

The Chairman of the Reserves Committee is responsible for managing the affairs of the committee, working with the officers of the Corporation regarding its reserves and communicating with the Corporation's independent petroleum consultants.

The Board has developed a written position description for the Chief Executive Officer.

Management Supervision by Board

The size of the Corporation is such that all the Corporation's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent Directors on an informal basis as the independent Directors are actively and regularly involved in reviewing and supervising the operations of the Corporation and have regular and full access to management. The independent Directors are however able to meet at any time without any members of management including the non-independent Directors being present.

Further supervision is performed through the Audit Committee which is composed of a majority of independent Directors who can meet with the Corporation's auditors without management being in attendance. The independent Directors exercise their responsibilities for independent oversight of management through their majority control of the Board.

Participation of Directors in Other Reporting Issuers

The participation of the Directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board Directors, committees and copies of the Corporation's corporate governance policies;
2. access to recent, publicly filed documents of the Corporation;
3. access to management; and
4. summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Corporation's operations. Board members have full access to the Corporation's records.

Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders.

The Board has adopted a written Code of Conduct (the "**Code**") for its directors, officers and employees. The Code has been filed in the Corporation's SEDAR profile at www.sedar.com. on April, 18.2007. The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Board or management. No material change reports have been filed by the Company since the beginning of the Company's most recently completed financial year pertaining to any conduct of a director or executive officer that constitutes a departure from the Code.

The Board requires that directors and executive officers who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material or if required to do so by corporate or securities law.

Board Member's Nomination Process

Purpose

This Board Members Nomination Process (the "Process") is designed by the Board of the Corporation to (1) to assist the Board, on an annual basis, by identifying individuals qualified to become Board members, and to recommend to the Board the Director nominees for the next annual meeting of Shareholders; (2) to assist the Board in the event of any vacancy on the Board by identifying individuals qualified to become Board members, and to recommend to the Board qualified individuals to fill any such vacancy; and (3) to recommend to the Board, on an annual basis, Director nominees for each Board committee.

General Rules

The Corporation will follow section 804(a) of the NYSE-Amex Corporation Guide listed as follows:

"Board of Director nominations must be either selected, or recommended for the Board's selection, by either a Nominating Committee comprised solely of independent directors or by a majority of the independent directors."

Nomination Committee Membership

The Board, at its discretion, may form a nomination committee ("Committee") and delegate authority when appropriate. The Committee shall consist of no fewer than three members, each of whom shall be appointed and removed by the Board. A majority of the members of the Committee shall constitute a quorum. Each member of the Committee shall be a director of the Corporation and qualify as independent in accordance with the listing standards of the NYSE-Amex, formerly American Stock Exchange ("AMEX"); provided however, one director who is not independent as defined by AMEX standards may be appointed to the Nominating Committee if (i) the proposed director is not a current officer or employee or an immediate family member of such person, (ii) the board, under exceptional and limited circumstances, determines that membership on the committee by the proposed director is required by the best interests of the Corporation and its Shareholders, and (iii) such appointment is properly disclosed by the Corporation in its proxy statement filed with the SEC. A director appointed to the Committee pursuant to this exception may not serve for more than two years.

In lieu of a Committee, the Board will act to carry out the Process and actions taken hereunder by the Board acting as the Committee will be approved by a majority of the Board's independent directors. In the case that the Board is acting as the Committee, all references hereinafter to the Committee shall refer to the Board acting as the Committee.

Authority and Responsibilities

1. The Committee shall have the responsibility to develop and recommend criteria for the selection of new directors to the Board, including but not limited to diversity, age, skills, experience, time availability (including the number of other boards he or she sits on in the context of the needs of the Board and the Corporation) and such other criteria as the Committee shall determine to be relevant at the time. The Committee shall have the power to apply such criteria in connection with the identification of individuals to be Board members, as well as to apply the standards for independence imposed by the Corporation's listing agreement with the AMEX or the TSX and all applicable laws and the underlying purpose and intent thereof in connection with such identification process.

2. When vacancies occur or otherwise at the direction of the Board, the Committee shall actively seek individuals whom the Committee determines meet such criteria and standards for recommendation to the Board.

3. The Committee shall have the authority to retain and terminate any search firm to be used to identify director candidates and shall have authority to approve the search firm's fees and other retention terms, at the Corporation's expense.

4. The Committee shall oversee evaluation of the Board itself and management.

5. The Committee shall select and recommend, on an annual basis, nominees for election as directors for the next annual meeting of Shareholders.

6. The Committee may form and delegate authority to subcommittees or members when appropriate.

7. The Committee shall be entitled to rely, in good faith, on information, opinions, reports or statements, or other information prepared or presented to them by (i) officers and other employees of Corporation, whom such member believes to be reliable and competent in the matters presented, and (ii) counsel, public accountants or other persons as to matters which the member believes to be within the professional competence of such person.

8. Minutes of each Committee meeting will be compiled by Corporation's Corporate Secretary who shall act as Secretary to the Committee, or in the absence of the Corporate Secretary, by an Assistant Corporate Secretary of the Corporation who is also a member of the Corporation's internal legal staff or any other person designated by the Committee.

Expectations of Management

The Board expects management to operate the business of the Corporation in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives.

Assessments

The Board does not consider that formal assessments would be useful at this stage of the Corporation's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual Directors and each of its Committees. To assist in its review, the Board conducts informal surveys of its Directors on their assessment of the functioning of the Board and reports from each Committee respecting its own effectiveness. As part of the assessments, the Board or the individual Committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

Other Board Committees

In addition to the committees set out above, the board of directors has established a reserves committee, to assist the Board in monitoring the integrity of the oil and gas reserves of the Corporation, compliance by the Corporation with legal and regulatory requirements related to reserves, qualifications, independence and performance of the Corporation's independent reserve evaluators, and the performance of the Corporations' procedures for providing information to the independent reserve evaluators. The reserves committee is comprised of three members, Harrison Blacker, Robert Holmes and Richard Patricio. Mr. Patricio and Mr. Holmes are independent directors.

The charter for the reserves committee includes the following responsibilities:

- reporting committee actions to the Board of Directors with such recommendations as the committee may deem appropriate,
- providing a report of management and directors on oil and gas disclosure for the Corporation's annual Information Circular as prescribed in Form 51-101F3 of National Instrument 51-101,
- annually engage the independent reserve evaluators and evaluate the performance of the independent reserve evaluators,
- ensuring no restrictions are placed by management on the scope of the reserve evaluators' review and examination of the Corporation's information,
- ensuring that no officer, director or employee attempts to fraudulently influence, coerce, manipulate or mislead any evaluator engaged in the preparation of the Corporation's oil and gas reserves statements, and
- reviewing process and results in relation to the completion of the reserve evaluations.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Adoption of New Stock Option Plan

The Board implemented a stock option plan (the "**2006 Plan**") effective July 1, 2006 which was approved by the TSX Venture Exchange and, on June 2, 2006, by the Shareholders of the Corporation. The 2006 Plan is classified as a 10% "rolling" plan pursuant to which the number of common shares which may be issued pursuant to options previously granted and those granted under the 2006 Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant.

It is proposed that the Corporation adopt a new stock option plan (the "**2009 Plan**") to replace the 2006 Plan. As with the 2006 Plan, the 2009 Plan will be a 10% "rolling" plan pursuant to which the number of common shares reserved for issuance will be 10% of the Corporation's issued and outstanding common shares as constituted on the date of any grant of options under the 2009 Plan. As the 2006 Plan was adopted when the Corporation was listed on TSX Venture Exchange and not The Toronto Stock Exchange, the principal reasons for replacing the 2006 Plan with the 2009 Plan is for the Corporation to have a stock option plan that better reflects the policies of The Toronto Stock Exchange and which contains certain new provisions that the Board of Directors feel are necessary to facilitate the administration of the Corporation's stock options on a going forward basis.

All options issued under, or otherwise subject to, the 2006 Plan that are outstanding as of the date of implementation of the 2009 Plan (the "**Existing Options**") will count against the number of shares reserved for issuance under the 2009 Plan as long as such options remain outstanding. Upon implementation of the 2009 Plan, all Existing Options will forthwith be governed by the 2009 Plan. The 2009 Plan shall be implemented by the Corporation upon approval of the same by the Shareholders and The Toronto Stock Exchange.

Other key terms of the 2009 Plan are summarized as follows:

- The 2009 Plan will be administered by the Board of Directors or, if the Directors so determine, by a committee of the Directors authorized to administer the 2009 Plan (the "**Committee**").

- Options may be granted to directors, officers and employees of the Corporation as well as persons or corporations engaged to provide services to the Corporation (or any entity controlled by the Corporation) and any individuals employed by such persons or corporations.

- The number of shares issuable to insiders of the Corporation at any time, under all security based compensation arrangements of the Corporation, cannot exceed 10% of the Corporation's issued and outstanding shares.

- The number of shares issued to insiders of the Corporation as a group, within any one year period, under all security based compensation arrangements of the Corporation, cannot exceed 10% of the Corporation's issued and outstanding shares as at the end of such one year period.

- Subject to the limitation applicable to insiders of the Corporation and the limit on the maximum number of options available for issuance under the 2009 Plan, there is no restriction on the number of options that can be granted to any one person.

- The Board or, if applicable, the Committee will have the authority to determine the exercise price of the options granted under the 2009 Plan provided that the exercise price must be not less than the market price on the TSX at the time of grant of the options (being the last closing price per Share on the trading day immediately preceding the day the options are granted.)

- The 2009 Plan does not contain provisions allowing for the transform of a stock option into a stock appreciation right.

- Vesting of options will be at the discretion of the Board or, if applicable, the Committee.

- The maximum term of options granted under the 2009 Plan will be 10 years from the date of grant. The 2009 Plan provides that the expiry date of options shall be the later of the date set by the Board or the Committee as the last date on which an option may be exercised and, if such date falls during or within five (5) trading days after the end of a "Black-Out Period" (as defined below), the date that is ten (10) trading days following the date on which such Black-Out Period ends (the "**Extension Period**"); provided that if an additional Black-Out Period is subsequently imposed during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Black-Out Period to enable the exercise of such Option within ten (10) trading days following the end of the last imposed Black-Out Period. For these purposes, a "**Black-Out Period**" means a period of time during which, pursuant to the policies of the Corporation, trading in common shares or options of the Corporation is prohibited or restricted (except where such prohibition or restriction is the result of a cease trade order, or equivalent, imposed by a securities commission or other applicable regulatory authority).

- If an optionee ceases to be eligible to receive options under the 2009 Plan as a result of termination for cause, any outstanding options held by such optionee on the date of such termination shall be cancelled as of that date.

- If an optionee ceases to be eligible to receive options under the 2009 Plan for reasons other than termination for cause (or death), any outstanding options held by such optionee at such time shall remain exercisable for a period ending on the earlier of the expiry time of such option or six months after the optionee ceases to be eligible to receive options. Notwithstanding the foregoing, the Board of Directors may, on a case by case basis, allow such options to remain in full force and effect until any time up to the original expiry time of such options, irrespective of whether such expiry time is more than six months after the optionee ceases to be eligible to receive options.

- If an optionee dies, any options held by such optionee at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the optionee under the option shall pass by the will of the optionee or the laws of descent and distribution for a period of one year after the date of death of the optionee or prior to the expiry date in respect of the option, whichever is sooner, and then only to the extent that such optionee was entitled to exercise the option at the date of death of such optionee.

- Options granted under the 2009 Plan are not assignable or transferable other than pursuant to a will or by the laws of descent and distribution.

- The Board of Directors may from time to time, without shareholder approval and subject to applicable law and to the prior approval, if required, of TSX or any other regulatory body having authority over the Corporation or the 2009 Plan, suspend, terminate or discontinue the 2009 Plan at any time, or amend or revise the terms of the 2009 Plan or of any option granted under, or otherwise governed by, the 2009 Plan to:

  (a) make amendments of a clerical or typographical nature and to include clarifying provisions in the 2009 Plan;

  (b) implement features or requirements that are necessary or desirable under applicable tax and securities laws;

  (c) change vesting provisions;

  (d) change termination provisions for an insider provided that the expiry time does not extend beyond the original expiry time under the 2009 Plan;

  (e) change termination provisions for an optionee who is not an insider beyond the original expiry time;

(f) reduce the exercise price of an option for an optionee who is not an insider; and

(g) implement a cashless exercise feature, payable in cash or securities;

provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any option previously granted to an optionee under the 2009 Plan without the consent of that optionee. Any other amendments to the 2009 Plan or options granted thereunder (or options otherwise governed thereby)will be subject to the approval of the shareholders.

- The 2009 Plan does not contain any provisions relating to the provision of financial assistance by the Corporation to optionees to facilitate the purchase of common shares upon the exercise of options.

- The 2009 Plan contains adjustment provisions pursuant to which the exercise price of an option and/or the number of securities underlying an option may be adjusted in the event of certain capital changes of the Corporation including, without limitation, share consolidations, stock-splits, dividends and corporate reorganizations. The adjustment provisions are meant to ensure that the rights associated with the option are neither enhanced nor prejudiced as a result of the capital change.

The full text of the 2009 Plan will be available for review at the Meeting.

The 2009 Plan will have as an addendum a sub-plan (the "**US Sub-Plan**") that will be applicable only to those persons entitled to receive options under the 2009 Plan that are resident in the United States. The purpose of the US Sub-Plan is to ensure that options granted to such persons are made in compliance with the US tax law as an Incentive Stock Option Plan (ISO).

At the Meeting, shareholders will be asked to pass an ordinary resolution approving the adoption of the 2009 Plan (and the US Sub-Plan) in the form to be presented at the Meeting subject to such amendments to form as may be required by TSX. All shareholders present at the meeting, whether in person or by proxy, will be entitled to vote on such resolution.

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote for the approval of the 2009 Plan.

The Board of Directors may, at its discretion, abandon the adoption of the 2009 Plan at any time prior to the shareholders approving the 2009 Plan, in which case the 2006 Plan will remain in full force and effect.

Continuation of Shareholders Rights Plan

Effective May 5, 2006, the Board adopted a shareholder rights plan (the "**Rights Plan**"). The Rights Plan has been implemented by way of a shareholder rights plan agreement (the "**Rights Plan Agreement**") dated as of May 5, 2006 between the Corporation and Computershare Investor Services Inc., as rights agent. The Board adopted the Rights Plan to ensure, to the extent possible, that all shareholders of the Corporation are treated equally and fairly in connection with any take-over bid or similar offer for all or a portion of the outstanding common shares of the Corporation.

At the Corporation's annual general meeting on June 26, 2006, shareholders of the Corporation ratified, confirmed and approved by means of an ordinary resolution, the Rights Plan Agreement. Pursuant to the terms of the Rights Plan, the rights issued under the Rights Plan (and effectively the Rights Plan itself) will expire as of the termination or completion of the Corporation's third annual meeting of its shareholders occurring after the date of ratification of the Rights Plan Agreement if the continuation of the Rights Plan is not submitted to the shareholders of the Corporation for their approval at such meeting or, if so submitted, it is not approved by a majority of the votes cast by "Independent Shareholders" (as defined in the Rights Plan and summarized in the next paragraph) present or represented by proxy at the meeting. For these purposes, this Meeting is the third annual meeting of the Corporation's shareholders occurring after the date of ratification of the Rights Plan Agreement. As such, the shareholders (excluding those not permitted to vote on such resolution under the terms of the Rights Plan) will be asked to pass an ordinary resolution (the "**Rights Plan Resolution**") approving the continuation of the Rights Plan and extension of the rights granted thereunder for a further three years with such continuation and extension to be given effect, if necessary, by way of an amendment to the Rights Plan Agreement.

The Rights Plan Resolution must be approved by a majority of the votes cast at the Meeting by holders of common shares, and, if applicable, by a separate majority vote excluding any votes cast by (i) any shareholder that, directly or indirectly, on its own or in concert with others holds or exercises control over more than 20% of the outstanding common shares, and (ii) the associates, affiliates and insiders of such shareholders. Management of the Corporation is not aware of any shareholder who will be ineligible to vote on the Rights Plan Resolution at the Meeting.

Recommendation of the Board

The Board has determined that the Rights Plan Agreement is and continues to be in the best interests of the Corporation and its shareholders. The Board recommends that shareholders vote in favour of the Rights Plan Resolution.

The following is only a summary of certain provisions of the Rights Plan and is qualified in its entirety by the provisions of the Rights Plan. Defined terms used in this section and not defined herein have the meaning ascribed to them in the Rights Plan. A shareholder or other

interested party may obtain a copy of the Rights Plan Agreement by contacting the Corporate Secretary of the Corporation at 598-999 Canada Place, Vancouver, BC, V6C 3E1, or by accessing the Corporation's publicly filed documents, including the Rights Plan Agreement, on SEDAR at www.sedar.com.

Background to the Rights Plan Agreement

The Rights Plan Agreement has been designed to protect shareholders from unfair, abusive or coercive take-over strategies including the acquisition of control of the Corporation by a bidder in a transaction or series of transactions that may not treat all shareholders fairly nor afford all shareholders an equal opportunity to share in the premium paid upon an acquisition of control. The Rights Plan Agreement was adopted to provide the Board with sufficient time, in the event of a public take-over bid or tender offer for the common shares of the Corporation, to pursue alternatives which could enhance shareholder value. These alternatives could involve the review of other take-over bids or offers from other interested parties to provide shareholders desiring to sell the Corporation's common shares with the best opportunity to realize the maximum sale price for their common shares. In addition, with sufficient time, the Board would be able to explore and, if feasible, advance alternatives to maximize share value through possible corporate reorganizations or restructuring. The directors need time in order to have any real ability to consider these alternatives.

Potential Advantages of the Rights Plan Agreement

The Board believes that under the current rules relating to take-over bids and tender offers in Canada there is not sufficient time for the directors to explore and develop alternatives for the shareholders such as possible higher offers or corporate reorganizations or restructurings that could maximize shareholder value. Under current rules, a take-over bid must remain open in Canada for a minimum of 35 days. Accordingly, the directors believe the Rights Plan Agreement continues to be an appropriate mechanism to ensure that they will be able to discharge their responsibility to assist shareholders in responding to a take-over bid or tender offer.

In addition, the Board believes that the Rights Plan Agreement will encourage persons seeking to acquire control of the Corporation to do so by means of a public take-over bid or offer available to all shareholders. The Rights Plan Agreement will deter acquisitions by means that deny some shareholders the opportunity to share in the premium that an acquirer is likely to pay upon an acquisition of control. By motivating would-be acquirers to make a public take-over bid or offer or to negotiate with the Board, shareholders will have the best opportunity of being assured that they will participate on an equal basis, regardless of the size of their holding, in any acquisition of control of the Corporation.

The Rights Plan Agreement is not intended to prevent a take-over or deter fair offers for securities of the Corporation. The Board believes that the Rights Plan Agreement will not adversely limit the opportunity for shareholders to dispose of their common shares through a take-over bid or tender offer which provides fair value to all shareholders. The directors will continue to be bound to consider fully and fairly any bona fide take-over bid or offer for common shares of the Corporation and to discharge that responsibility with a view to the best interests of the shareholders.

Potential Disadvantages of the Rights Plan Agreement

Because the Rights Plan Agreement may increase the price to be paid by an acquirer to obtain control of the Corporation and may discourage certain transactions, confirmation of the Rights Plan Agreement may reduce the likelihood of a take-over bid being made for the outstanding common shares of the Corporation. Accordingly, the Rights Plan Agreement may deter some take-over bids that shareholders might wish to receive.

Term

The Rights Plan Agreement was confirmed at the on Friday, June 2, 2006 Annual Meeting, and the Rights Plan and remains in effect until termination of the annual meeting of shareholders of the Corporation in 2009 unless the term of the Rights Plan Agreement is terminated earlier. The Rights Plan may be extended beyond 2009 for an additional three-year period by resolution of shareholders at such meeting in accordance with the provisions of the Rights Plan Agreement, and for subsequent three-year periods on the same basis. If the Rights Plan Agreement is not confirmed at the Meeting, the Rights Plan will terminate at the conclusion of the Meeting and all Rights issued under the Rights Plan will be cancelled.

Issue of Rights

One right (a "Right") has been issued by the Corporation pursuant to the Rights Plan Agreement in respect of each Common Share outstanding at 4:00 p.m. (Vancouver time) on May 5, 2006 (the "Record Time"). One Right will also be issued for each additional Common Share issued after the Record Time and prior to the earlier of the Separation Time (as defined below) and the Expiration Time (as defined in the Rights Plan Agreement).

Rights Exercise Privilege

The Rights will separate from the common shares to which they are attached and become exercisable at the time (the "Separation Time") which is 10 trading days following the date a person becomes an Acquiring Person (as defined below) or announces an intention to make a take-over bid that is not an acquisition pursuant to a take-over bid permitted by the Rights Plan (a "Permitted Bid").

Any transaction or event in which a person (an "Acquiring Person"), including associates and affiliates and others acting in concert, acquires (other than pursuant to an exemption available under the Rights Plan or a Permitted Bid) Beneficial Ownership (as defined in the Rights Plan Agreement) of 20% or more of the voting shares of the Corporation is referred to as a "Flip-in Event". Any Rights held by an Acquiring Person on or after the earlier of the Separation Time or the first date of public announcement by the Corporation or an Acquiring Person that an Acquiring Person has become such, will become void and the Rights (other than those held by the Acquiring Person) will permit the holder to purchase common shares at a 50% discount to their market price. A person, or a group acting in concert, who is the beneficial owner of 20% or more of the outstanding common shares as of the Record Time is exempt from the dilutive effects of the Rights Plan.

The issuance of the Rights is not dilutive until the Rights separate from the underlying common shares and become exercisable or until the exercise of the Rights. The issuance of the Rights will not change the manner in which shareholders currently trade their common shares.

Certificates and Transferability

Prior to the close of business on the earlier of the Separation Time and the Expiration Time, the Rights will be evidenced by a legend imprinted on certificates for common shares issued after the Record Time. Rights are also attached to common shares outstanding at the Record Time, although share certificates issued prior to the Record Time will not bear such a legend. Shareholders are not required to return their certificates in order to have the benefit of the Rights. Prior to the Separation Time, Rights will trade together with the common shares and will not be exercisable or transferable separately from the common shares. From and after the Separation Time and prior to the Expiration Time, the Rights will become exercisable, will be evidenced by Rights certificates and will be transferable separately from the common shares.

Permitted Bid Requirements

The requirements of a "Permitted Bid" include the following:

(a) the take-over bid must be made by means of a take-over bid circular;

(b) the take-over bid is made to all holders of voting shares as registered on the books of the Corporation, other than the offeror, for all of the voting shares held by them;

(c) the take-over bid contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified provision that no voting shares will be taken up or paid for pursuant to the take-over bid prior to the close of business on the date which is not less than 60 days following the date of the take-over bid and only if at such date more than 50% of the voting shares held by independent shareholders shall have been deposited or tendered pursuant to the take-over bid and not withdrawn;

(d) the take-over bid contains an irrevocable and unqualified provision that, unless the take-over bid is withdrawn, voting shares may be deposited pursuant to such take-over bid at any time during the period of time between the date of the take-over bid and the date on which voting shares may be taken up and paid for and that any voting shares deposited pursuant to the take-over bid may be withdrawn until taken up and paid for; and

(e) the take-over bid contains an irrevocable and unqualified provision that if, on the date on which voting shares may be taken up and paid for, more than 50% of the voting shares held by independent shareholders shall have been deposited pursuant to the take-over bid and not withdrawn, the offeror will make a public announcement of that fact and the take-over bid will remain open for deposits and tenders of voting shares for not less than ten business days from the date of such public announcement.

The Rights Plan allows for a competing Permitted Bid (a "Competing Permitted Bid") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all of the requirements of a Permitted Bid except that it must expire prior to the expiry of that Permitted Bid, subject to the requirement that it be outstanding for a minimum period of 35 days in accordance with applicable securities legislation.

Waiver and Redemption

If a potential offeror does not desire to make a Permitted Bid, it can negotiate with, and obtain the prior approval of, the Board to make a take-over bid by way of a take-over bid circular sent to all holders of voting shares on terms which the Board considers fair to all shareholders. In such circumstances, the Board may waive the application of the Rights Plan thereby allowing such bid to proceed without dilution to the offeror. Any waiver of the application of the Rights Plan in respect of a particular take-over bid shall also constitute a waiver of any other take-over bid which is made by means of a take-over bid circular to all holders of voting shares while the initial take-over bid is outstanding. The Board may also waive the application of the Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence, provided that the Acquiring Person that inadvertently triggered such Flip-in Event reduces its beneficial holdings to less than 20% of the outstanding voting shares of the Corporation at the time of the granting of the waiver by the Board. With the prior consent of the

holders of voting shares, the Board may, prior to the occurrence of a Flip-in Event that would occur by reason of an acquisition of voting shares otherwise than pursuant to a take-over made by means of a take-over bid circular to holders of voting shares, waive the application of the Rights Plan to such Flip-in Event.

The Board may, at any time prior to the occurrence of a Flip-in Event, elect to redeem all but not less than all of the then outstanding Rights at a redemption price of $0.00001 per Right. Rights are deemed to be redeemed following completion of a Permitted Bid, a Competing Permitted Bid or a take-over bid in respect of which the Board has waived the application of the Rights Plan.

Board of Directors

The adoption of the Rights Plan will not in any way lessen or affect the duty of the Board to act honestly and in good faith with a view to the best interests of the Corporation. The Board, when a take-over bid or similar offer is made, will continue to have the duty and power to take such actions and make such recommendations to shareholders as are considered appropriate. It is not the intention of the Board to secure the continuance of existing directors or officers to avoid an acquisition of control of the Corporation in a transaction that is fair and in the best interests of the Corporation and its shareholders, or to avoid the fiduciary duties of the Board or of any director. The proxy mechanism of the *Business Corporations Act* (British Columbia) is not affected by the Rights Plan Agreement, and a shareholder may use his, her or its statutory rights to promote a change in the management or direction of the Corporation, including the right of shareholders holding not less than 5% of the outstanding common shares to requisition the Board to call a meeting of shareholders.

Amendment

The Corporation may with the prior approval of shareholders (or the holders of Rights if the Separation Time has occurred), supplement, amend, vary or delete any of the provisions of the Rights Plan Agreement. The Corporation may make amendments to the Rights Plan Agreement at any time to correct any clerical or typographical error or, subject to confirmation at the next meeting of shareholders, make amendments which are required to maintain the validity of the Rights Plan Agreement due to changes in any applicable legislation, rules or regulations.

Existing Charter Provisions

The Notice of Articles and Articles of the Corporation do not contain any provisions intended by the Corporation to have, or, to the knowledge of the Board having, an anti-takeover effect. However, the power of the Board to issue additional common shares (although subject to restrictions imposed by applicable law and regulatory requirements) could be used to dilute the share ownership of persons seeking to obtain control of the Corporation.

Alteration of Authorized Share Structure – Creation of Preferred Shares

Shareholders will be asked to approve, with or without amendment, an ordinary resolution (the "**Share Capital Resolution**") to create a new class and series of preferred shares. The proposed Share Capital Resolution is set out in Schedule "A" to this Information Circular.

The Notice of Articles and Articles of the Corporation currently provide for an authorized share structure consisting of an unlimited number of common shares without par value (the "**Common Shares**"). It is proposed that the Notice of Articles and Articles of the Corporation be altered such that the authorized share structure of the Corporation will also include an unlimited number of Preferred Shares without par value (the "**Preferred Shares**"), issuable in series, including an unlimited number of Series 1 Preferred Shares without par value (the "**Series 1 Preferred Shares**"), having such rights and restrictions as shall be set out in the Corporation's Articles. The proposed rights and restrictions attached to the Preferred Shares as a class and the Series 1 Preferred Shares as a series are set out in Appendix "I" to Schedule "A" of this Information Circular.

When issued, the Preferred Shares, including the Series 1 Preferred Shares, as a class will rank in priority to the Common Shares with respect to the payment of dividends and any return on capital in the event of the liquidation, dissolution or winding up of the Corporation.

The Preferred Shares will be issuable in series. Pursuant to the special rights and restrictions attached to the Preferred Shares, the Corporation may, by directors' resolution or ordinary resolution, in each case as determined by the directors: (a) determine the maximum number of shares of any of those series of Preferred Shares that the Corporation is authorized to issue, determine that there is no maximum number or alter any determination made in relation to a maximum number of those shares; (b) create an identifying name by which the shares of any of those class or series of Preferred Shares may be identified or alter any identifying name created for those shares; and (c) attach special rights or restrictions to the shares of any of those series of Preferred Shares or alter any special rights or restrictions attached to those shares, subject to the special rights and restrictions attached to the Preferred Shares by the Articles of the Corporation. Where these alterations, determinations or authorizations are to be made in relation to a series of shares of which there are issued shares, the alterations, determinations or authorizations may be made by ordinary resolution.

Management believes that having Preferred Shares, including Series 1 Preferred Shares, available for issue will permit the Corporation to respond quickly to financing and acquisition opportunities.

The shareholders will be asked to pass the Share Capital Resolution which authorizes the alteration of the Corporation's Notice of Articles and Articles such that the authorized share capital of the Corporation will also include an unlimited number of Preferred Shares without par value, issuable in series, including an unlimited number of Series 1 Preferred Shares without par value, having such rights and restrictions as

shall be set out in the Corporation's Articles. In order for the Share Capital Resolution to be passed, at least 66 2/3% of the votes cast by those shareholders of the Corporation entitled to vote in person or by proxy at the Meeting must be in favour of the Share Capital Resolution. **The persons named in the enclosed form of proxy intend to vote at the Meeting in favour of the Share Capital Resolution.**

The Corporation is entitled to revoke the Share Capital Resolution and not proceed with the creation of the Preferred Shares without further shareholder approval at any time prior to the filing of the Notice of Alteration in respect of the creation of the Preferred Shares with the Registrar of Companies under the *Business Corporations Act* (British Columbia).

Copies of the Corporation's current Notice of Articles and Articles and the proposed amended Notice of Articles and Articles will be available for inspection by shareholders at the Corporation's registered office, 10th Floor, 595 Howe Street, Vancouver, British Columbia during normal business hours until the Meeting and will be available at the Meeting itself.

If the Share Capital Resolution is passed, the proposed change is subject to the approval of the Toronto Stock Exchange.

GENERAL

On any ballot that may be called for with respect to the matters described in the notice calling the Meeting, the shares represented by each properly executed proxy appointing one of the persons named by management in the accompanying form of proxy will be voted in the fixing of the number of directors, the election of the named directors, and the appointment of auditors and the fixing of their remuneration, unless the specifications in the proxy direct the shares to be withheld from voting.

The accompanying form of proxy, when properly signed, confers discretionary authority with respect to amendments or variations to matters identified in the accompanying notice of the meeting and other matters that may properly come before the Meeting. The management of the Corporation presently knows of no such amendments, variations or other matters to come before the Meeting.

The contents of this circular and the sending of same to each director and shareholder of the Corporation and to the auditors of the Corporation has been approved by the directors of the Corporation.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc. is the transfer agent and registrar for the Common Shares.

GENERAL

On any ballot that may be called for with respect to the matters described in the notice calling the Meeting, the shares represented by each properly executed proxy appointing one of the persons named by management in the accompanying form of proxy, will be voted in the fixing of the number of Directors, the election of the named Directors, and the appointment of auditors and the fixing of their remuneration, unless the specifications in the proxy direct the shares to be withheld from voting.

The accompanying form of proxy, when properly signed, confers discretionary authority with respect to amendments or variations to matters identified in the accompanying notice of the meeting and other matters that may properly come before the Meeting. The management of the Corporation presently knows of no such amendments, variations or other matters to come before the Meeting.

The contents of this circular and the sending of same to each Director and Shareholder of the Corporation and to the auditors of the Corporation have been approved by the Directors of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Shareholders may contact the Corporation at 598-999 Canada Place, Vancouver, BC V6C 3E1 to request copies of the Corporation's financial statements and MD&A.

Financial information is provided in the Corporation's comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

OTHER MATTERS

Management of the Corporation is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED at Vancouver, British Columbia, this 26th day of October, 2009.

APPROVED BY THE BOARD OF DIRECTORS

"Robert L. Hodgkinson"

Robert L. Hodgkinson
Director, Chairman and Chief Executive Officer

SCHEDULE "A"

TEXT OF THE SHARE CAPITAL RESOLUTION

IT IS RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The authorized share structure of the Corporation be altered by creating an unlimited number of Preferred shares without par value, issuable in series, including an unlimited number of Series 1 Preferred shares without par value, and the Notice of Articles of the Corporation be altered accordingly.

2. The Articles of the Corporation be altered by adding thereto Part 27, in the form attached hereto as Appendix "I", which creates, defines and attaches to the Common shares and the Preferred shares, including the Series 1 Preferred shares, the special rights and restrictions described therein, such alterations to the Articles not to take effect until the Notice of Articles of the Corporation is altered as described in paragraph 1 above.

3. The board of directors of the Corporation may elect not to proceed with the foregoing alterations of the Notice of Articles and Articles of the Corporation or otherwise give effect to these special resolutions, at any time prior to filing the Notice of Alteration of the Notice of Articles of the Corporation with the British Columbia Registrar of Companies without further approval, ratification or confirmation of the shareholders of the Corporation.

APPENDIX "I"
PART 27
SPECIAL RIGHTS AND RESTRICTIONS

27.1 In this Article, the following terms shall have the following meanings:

(a) Common shares without par value shall hereinafter be referred to as "Common Shares".

(b) Preferred shares without par value shall hereinafter be referred to as "Preferred Shares".

(c) Series 1 Preferred shares without par value shall hereinafter be referred to as "Series 1 Preferred Shares".

27.2 The holders of the Common Shares shall be entitled to receive notice of, attend and be heard at any meeting of shareholders of the Company, excepting a meeting of the holders of shares of another class, as such, and excepting a meeting of the holders of a particular series, as such. Unless provided otherwise in any rights which may be attached to any series of the Preferred Shares, including the Series 1 Preferred Shares, the holders of the Preferred Shares shall not be entitled to receive notice of, attend or vote at any meeting of shareholders of the Company.

27.3 With respect to the declaration and payment of dividends, the holders of Preferred Shares, including the Series 1 Preferred Shares, shall rank prior to the holders of the Common Shares, or any other shares of the Company ranking junior to the Preferred Shares.

27.4 In the event of the liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, or other distribution of the property or assets of the Company among its shareholders for the purpose of winding up its affairs:

(a) the holders of the Preferred Shares, including the Series 1 Preferred Shares, shall be entitled to receive, for each Preferred Share held, from the property and assets of the Company, a sum equivalent to the amount paid up thereon together with the premium (if any) thereon and any dividends declared thereon before any amount shall be paid or any property or asset of the Company is distributed to the holders of the Common Shares or any other shares ranking junior to the Preferred Shares with respect to repayment of capital. After payment to the holders of the Preferred Shares of the amount so payable to them, the holders of the Preferred Shares shall not be entitled to share in any further distribution of the property or assets of the Company except as specifically provided in special rights and restrictions attached to any particular series of Preferred Shares; and

(b) the holders of the Common Shares shall be entitled to receive the remaining property of the Company after payment to the holders of the Preferred Shares or any other shares ranking senior to the Common Shares.

Preferred Shares

27.5 Preferred Shares may, at any time and from time to time, be issued in one or more series, and, subject to paragraph 27.6 below, the Company may, by directors' resolution or ordinary resolution, in each case as determined by the directors, do one or more of the following:

(a) determine the maximum number of shares of any of those series of Preferred Shares that the Company is authorized to issue, determine that there is no maximum number or alter any determination made, under this paragraph or otherwise, in relation to a maximum number of those shares, and authorize the alteration of the Notice of Articles accordingly;

(b) alter these Articles, and authorize the alteration of the Notice of Articles, to create an identifying name by which the shares of any of those series of Preferred Shares may be identified or to alter any identifying name created for those shares; and

(c) alter these Articles, and authorize the alteration of the Notice of Articles, to attach special rights or restrictions to the shares of any of those series of Preferred Shares or to alter any special rights or restrictions attached to those shares, subject to the special rights and restrictions attached to the Preferred Shares by this Article 27.

27.6 If the alterations, determinations or authorizations contemplated by paragraph 27.5 above are to be made in relation to a series of shares of which there are issued shares, those alterations, determinations or authorizations may be made by ordinary resolution.

27.7 The special rights and restrictions that may be attached to a series of Preferred Shares pursuant to paragraph 27.5(c) above may include, without in any way limiting or restricting the generality of such paragraph, rights and restrictions respecting the following:

(a) the rate or amount of dividends, whether cumulative, non-cumulative or partially cumulative, the dates, places and currencies of payment thereof;

(b) the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof, including redemption after a fixed term or at a premium, conversion or exchange rights;

(c) the terms and conditions of any share purchase plan or sinking fund;

(d) the restrictions respecting the payment of dividends on, or the repayment of capital in respect of, any other shares of the Company;

(e) voting; and

(f) the issuance of any shares of any other class or series of shares of the Company or any evidences of indebtedness or any other securities convertible into or exchangeable for such shares.

27.8 No special rights or restrictions attached to a series of Preferred Shares shall confer on the series of Preferred Shares priority over another series of Preferred Shares respecting:

(a) dividends; or

(b) a return of capital:

(i) on the dissolution of the Company; or

(ii) on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital.

Series 1 Preferred Shares

27.9 The Company may, at any time and from time to time, issue Series 1 Preferred Shares. The Company may, by directors' resolution or ordinary resolution passed before the issue of any Series 1 Preferred Shares, in each case as determined by the directors or, if there are issued Series 1 Preferred Shares, by ordinary resolution, do one or more of the following:

(a) determine the maximum number of the Series 1 Preferred Shares that the Company is authorized to issue, determine that there is no maximum number or alter any determination made, under this paragraph or otherwise, in relation to a maximum number of those shares, and authorize the alteration of the Notice of Articles accordingly;

(b) alter these Articles, and authorize the alteration of the Notice of Articles, to alter the name of the Series 1 Preferred Shares; and

(c) alter these Articles, and authorize the alteration of the Notice of Articles, to attach special rights or restrictions to the Series 1 Preferred Shares or to alter any special rights or restrictions attached to those shares, subject to the special rights and restrictions attached to the Preferred Shares by this Article 27.

27.10 The special rights and restrictions that may be attached to the Series 1 Preferred Shares pursuant to paragraph 27.9(c) above may include, without in any way limiting or restricting the generality of such paragraph, rights and restrictions respecting the following:

(a) the rate or amount of dividends, whether cumulative, non-cumulative or partially cumulative and the dates, places and currencies of payment thereof;

(b) the consideration for, and the terms and conditions of, any purchase for cancellation or redemption thereof, including redemption after a fixed term or at a premium, conversion or exchange rights;

(c) the terms and conditions of any share purchase plan or sinking fund;

(d) the restrictions respecting the payment of dividends on, or the repayment of capital in respect of, any other shares of the Company;

(e) voting rights; and

(f) the issuance of any shares of any other class or series of shares of the Company or any evidences of indebtedness or any other securities convertible into or exchangeable for such shares.

27.11 No special rights or restrictions attached to the Series 1 Preferred Shares shall confer on the Series 1 Preferred Shares priority over another series of Preferred Shares respecting:

(a) dividends; or

(b) a return of capital:

(i) on the dissolution of the Company; or

(ii) on the occurrence of any other event that entitles the shareholders holding the shares of all series of the Preferred Shares to a return of capital.