

**IT IS HEREBY ENACTED** as By-Law No. 2 of **FORTUNE MINERALS LIMITED** (the Corporation) as follows:

## **1 Interpretation**

### **1.1 Definition**

In this by-law, *Act* means the *Business Corporations Act* (Ontario) and the regulations made thereto, as from time to time amended, and every statute that may be substituted therefor, and in the case of such amendment or substitution any reference to the Act in the by-laws of the Corporation refers to the amended or substituted provisions therefor.

### **1.2 Conflict with the Act**

To the extent that there is any conflict between the provisions of the by-laws and the mandatory provisions of the Act, the provisions of the Act will govern.

## **2 Directors**

### **2.1 Place**

Meetings of directors may be held at the registered office of the Corporation or any other place within or outside Canada. In any financial year of the Corporation, a majority of the meetings of the board of directors (the board) need not be held within Canada.

### **2.2 Notice**

Subject to the provisions of any resolution of the board, meetings of the board may be called at any time by the chair of the board or the president or any vice-president who is a director or any two directors and notice of the time and place for holding any meeting of the board and the general nature of the business to be transacted thereat will be given by the person or persons calling the meeting or the secretary of the Corporation at least 24 hours prior to the time fixed for the meeting.

### **2.3 Quorum**

The board may, from time to time, fix by resolution the quorum for meetings of the board of directors, but in no case may a quorum be less than two-fifths of the number of directors or minimum number of directors, as the case may be. Until otherwise fixed, a majority of directors in office, from time to time, will constitute a quorum.

### **2.4 First Meeting of the New Board**

For the first meeting of the board to be held following the election of directors at an annual or special meeting of the shareholders, or for a meeting of the board at which a director is appointed to fill a vacancy on the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

### **2.5 Chair**

The chair of any meeting of the board shall be the first mentioned of the following officers who is a director and present at the meeting: the chair of the board, the chief executive officer or the president. If such persons are not present, the directors present will choose one of their number to be chair of the meeting.

## 2.6 Votes to Govern

All questions arising at any meeting of the board will be decided by a majority of votes. In the case of an equality of votes, the chair of the meeting shall not be entitled to a second or casting vote in addition to his or her original vote.

## 2.7 Nominations of Directors

- (a) Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:
- (i) by or at the direction of the board, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or
  - (iii) by any person (a **Nominating Shareholder**) who: (A) at the close of business on the date of the giving of the notice provided for below in this Section 2.7 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) complies with the notice procedures set forth below in this Section 2.7.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely written notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation. To be timely, a Nominating Shareholder's written notice to the secretary of the Corporation must be made:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement (the **Notice Date**) of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
  - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's written notice as described above.

- (c) To be in proper written form, a Nominating Shareholder's written notice to the secretary of the Corporation must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
  - (ii) as to the Nominating Shareholder giving the written notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- (d) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 2.7; provided, however, that nothing in this Section 2.7 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders on any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not made in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (e) For purposes of this Section 2.7:
- (i) **public announcement** shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation or its agents under its profile on the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators, accessible at [www.sedar.com](http://www.sedar.com), or any successor database thereto; and
  - (ii) **Applicable Securities Laws** means the applicable securities legislation of each relevant province of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each province of Canada.
- (f) Notwithstanding any other provision of this Section 2.7, notice given to the secretary of the Corporation pursuant to this Section 2.7 may only be given by personal delivery,

facsimile transmission or, provided that the secretary of the Corporation has stipulated an email address for purposes of such notice, by email, and shall be deemed to have been given and made only at the time it is served to the secretary of the Corporation: (A) by personal delivery at the address of the principal executive offices of the Corporation; (B) by email at such email address as may be stipulated by the secretary of the Corporation from time to time; or (C) by facsimile transmission (provided that receipt of confirmation of such transmission has been received), provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made (for the purpose of determining whether the notice is timely) on the subsequent day that is a business day.

- (g) Notwithstanding the foregoing provisions of this Section 2.7, the board may, in its sole discretion, waive any requirement of this Section 2.7.

### **3 Indemnity**

- (a) Subject to the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation, or any other individual who acts or acted at the Corporation's request as a director or officer or in a similar capacity, of another entity against all costs, charges and expenses, including any amount paid to settle an action or satisfy a judgment, reasonably incurred by such person in respect of any civil, criminal, administrative, investigative or other proceeding to which he or she is made a party or involved in by reason of being or having been a director or officer of the Corporation or such other entity at the request of the Corporation or in a similar capacity, excluding any proceeding initiated by such individual other than to establish a right of indemnification.
- (b) The Corporation shall, to the full extent permitted by law, advance monies to an individual referred to above for costs, charges, and expenses of a proceeding referred to above provided such individual shall repay the monies advanced if the individual does not fulfill the conditions set out in the Act.
- (c) The Corporation is authorized to enter into agreements evidencing an indemnity in favour of the foregoing persons which agreements shall set out the terms and conditions of the indemnity. To the extent there is a conflict or inconsistency between this by-law and any such agreement, the terms of the agreement shall prevail.
- (d) The Corporation may purchase and maintain insurance against the risk of its liability to indemnify pursuant to this section.
- (e) The right of any person to indemnification granted by this by-law are not exclusive of any other rights to which any person seeking indemnification may be entitled under any agreement, vote of shareholders or directors, at law or otherwise.

### **4 Shareholders**

#### **4.1 Chair, Secretary and Scrutineer**

The chair of any meeting of shareholders will be the first mentioned of such of the following persons who are present at the meeting: chair of the Corporation, chief executive officer, president or another director. If no such person is present within fifteen (15) minutes from the time fixed for holding the meeting, the persons present and entitled to vote will choose one of their number to be chair of the meeting. If present, the secretary of the Corporation shall be secretary of the meeting. If the secretary is absent, the chair of the meeting shall appoint another

person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by the chair of the meeting.

#### **4.2 Quorum**

A quorum of shareholders is present at a meeting of shareholders if two persons, each of whom is a shareholder or duly appointed proxy or representative for an absent shareholder, representing in the aggregate not less than 10% of the outstanding shares of the Corporation entitled to vote at a meeting of shareholders are present in person or represented by proxy at the start of any meeting of shareholders.

#### **4.3 Votes to Govern**

At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by the Act, be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hands, a poll, or by means of a telephonic, electronic or other communication facility, the chair of the meeting shall not be entitled to a second or casting vote.

#### **4.4 Persons Entitled to be Present**

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act, the articles or by-laws of the Corporation to be present at the meeting. Any other person may be admitted only on the invitation of the chair of the meeting or with the consent of the meeting.

#### **4.5 Meeting Held by Electronic Means**

A meeting of shareholders may be held by telephonic or electronic means and a shareholder, proxyholder or shareholder's representative who, through those means, votes at a meeting or establishes a communication link shall be deemed to be present at that meeting.

### **5 Execution of Instruments**

#### **5.1 Contracts, Documents or Instruments in Writing**

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by (a) the chair of the board or the president or a vice-president or the secretary or the treasurer, or (b) any two directors and all contracts, documents and instruments and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The board shall have power from time to time by resolution to appoint any officer or officers or any person or persons on behalf of the Corporation either to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The seal of the Corporation may, when required, be affixed to contracts, documents and instruments in writing signed as aforesaid by an officer or officers or person or persons appointed as aforesaid by resolution of the board.

The terms **contracts, documents or instruments in writing** as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property real or personal, immovable or movable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share

warrants, stocks, bonds, debentures or other securities and all other instruments of any nature whatsoever.

**6 Repeal of Existing By-law No. 1**

As of the coming into effect of this By-Law No. 2, the existing By-law No. 1 of the Corporation made as of the 2<sup>nd</sup> day of August, 1988, and confirmed as of the 2<sup>nd</sup> day of August, 1988, is repealed. Such repeal does not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed will continue to act as if appointed under the provisions of this by-law.

**7 Effective Date**

Subject to its confirmation by the shareholders in accordance with the Act, this by-law will come into force on the date approved by the board.

**ENACTED AND MADE** by the board of the Corporation the 10<sup>th</sup> day of May, 2013.

*(signed) "Robin E. Goad"*

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President

*(signed) "David A. Knight"*

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Secretary

At an Annual and Special Meeting of Shareholders held on June 25, 2013, the shareholders of the Corporation ratified and confirmed By-Law No. 2 as a by-law of the Corporation.

*(signed) "David A. Knight"*

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Secretary