



Certificate
of Amendment

Certificat
de modification

Canada Business
Corporations Act

Loi canadienne sur
les sociétés par actions

PROMETIC LIFE SCIENCES INC./

PROMETIC SCIENCES DE LA VIE INC.

307730-6

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

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

Je certifie que les statuts de la société
susmentionnée ont été modifiés:

- a) under section 13 of the Canada Business Corporations Act in accordance with the attached notice;
- b) under section 27 of the Canada Business Corporations Act as set out in the attached articles of amendment designating a series of shares;
- c) under section 179 of the Canada Business Corporations Act as set out in the attached articles of amendment;
- d) under section 191 of the Canada Business Corporations Act as set out in the attached articles of reorganization;

- a) en vertu de l'article 13 de la Loi canadienne sur les sociétés par actions, conformément à l'avis ci-joint;
- b) en vertu de l'article 27 de la Loi canadienne sur les sociétés par actions, tel qu'il est indiqué dans les clauses modificatrices ci-jointes désignant une série d'actions;
- c) en vertu de l'article 179 de la Loi canadienne sur les sociétés par actions, tel qu'il est indiqué dans les clauses modificatrices ci-jointes;
- d) en vertu de l'article 191 de la Loi canadienne sur les sociétés par actions, tel qu'il est indiqué dans les clauses de réorganisation ci-jointes;

Richard G. Shaw
Director - Directeur

May 15, 2008 / le 15 mai 2008

Date of Amendment - Date de modification



Industry Canada Industrie Canada

ELECTRONIC TRANSACTION REPORT

RAPPORT DE LA TRANSACTION ÉLECTRONIQUE

Canada Business Corporations Act Loi canadienne sur les sociétés par actions

ARTICLES OF AMENDMENT (SECTIONS 27 OR 177)

CLAUSES MODIFICATRICES (ARTICLES 27 OU 177)

Processing Type - Mode de traitement: E-Commerce/Commerce-É

<p>1. Name of Corporation - Dénomination de la société</p> <p>PROMETIC LIFE SCIENCES INC./ PROMETIC SCIENCES DE LA VIE INC.</p>	<p>2. Corporation No. - N° de la société</p> <p>307730-6</p>
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3. The articles of the above-named corporation are amended as follows:
Les statuts de la société mentionnée ci-dessus sont modifiés de la façon suivante:

Schedule 1 (including its Appendix A) to the Restated Articles of Incorporation dated May 19, 1998, and Schedule "A" to the Articles of Amendment dated February 16, 2000, both containing a description of the share capital of the Corporation are hereby repealed and replaced by the following Schedule 1.

SCHEDULE 1

TO THE ARTICLES OF AMENDMENT

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares issuable in series. The first 2 series of Preferred Shares forming part of the authorized share capital of the Corporation, consist of a maximum of 1,050,000 shares designated as "Preferred Shares Series A" and a maximum of 950,000 shares designated as "Preferred Shares Series B".

COMMON SHARES:

The Common Shares shall have the following rights, privileges, restrictions and conditions:

1. VOTING RIGHTS

The holders of Common Shares shall be entitled to one (1) vote for each Common Share held by them at all meetings of shareholders.

2. LIQUIDATION, DISSOLUTION OR OTHER DISTRIBUTION OF ASSETS

In the event of the voluntary or involuntary liquidation, dissolution, winding-up or other distribution of assets of the Corporation, the holders of Common Shares shall be entitled to receive the remaining property of the Corporation, pari passu, to the exclusion of the holders of shares of any other class.

3. DIVIDENDS

The holders of Common Shares shall be entitled, pari passu, subject to the other provisions of this Schedule 1, to receive such dividends as may be declared by the directors of the Corporation from time to time.

4. AMENDMENTS SUBJECT TO CONFIRMATION BY ARTICLES OF AMENDMENT

Subject to confirmation by articles of amendment and the issue of a Certificate of Amendment, the director or directors of the Corporation may, at any time or times or from time to time, adopt a resolution or resolutions whereby the terms hereof and of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case and changes made in the rights, privileges, restrictions and conditions attached to one or more classes of shares of the Corporation, but no such resolution shall have any force or effect until after it has been sanctioned by the vote of the holders of at least sixty-six and two-thirds percent (66 2/3%) in value of the voting shares then outstanding and of at least sixty-six and two-thirds percent

(66 2/3%) in value of shares of each class affected by such amendment, in each case voting separately as a class at a meeting or meetings specially called for such purpose.

PREFERRED SHARES:

The Preferred Shares are issuable in series and shall have the following rights, privileges, restrictions and conditions:

1. The directors of the Corporation may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may before issuance thereof be determined by the directors.
2. Subject to the provisions of paragraph 10, the holders of the Preferred Shares shall not, as such, have any voting rights for the election of directors or for any other purpose nor shall they be entitled to attend shareholders' meetings.
3. The directors of the Corporation may (subject as hereinafter provided) from time to time fix before issuance the designation, rights, restrictions, conditions and limitations to be attached to the Preferred Shares of each series including, without limiting the generality of the foregoing, the rate, amount or method of calculation of preferential dividends, whether or not cumulative or non-cumulative or partially cumulative, and whether such rate, amount or method of calculation shall be subject to change or adjustment in the future, the currency or currencies of payment, the date or dates and place or places of payment thereof and the date or dates from which such preferential dividends shall accrue, the redemption price and terms and conditions of redemption, the rights of retraction, if any, vested in the holders of Preferred Shares of such series, and the prices and the other terms and conditions of any rights of retraction, and whether any additional rights of retraction may be vested in such holders in the future, conversion rights (if any) or other provisions attached to the Preferred Shares of such series, the whole subject to the issue by the Director, Industry Canada, of a certificate of amendment in respect of articles of amendment in prescribed form to designate a series of shares.
4. When any fixed cumulative dividends or amounts payable on a return of capital are not paid in full, the Preferred Shares of all series shall participate rateably in respect of such dividends including accumulations, if any, in accordance with the sums which would be payable on the Preferred Shares if all such dividends were declared and paid in full, and on any return of capital in accordance with the sums which would be payable on such return of capital if all sums so payable were paid in full.
5. The Preferred Shares shall be entitled to preference over the other classes of shares of the Corporation with respect to the payment of dividends and may also be given such other preferences over the other classes of shares of the Corporation as may be fixed by the directors of the Corporation as to the respective series authorized to be issued.
6. The Preferred Shares of each series shall rank on a parity with the Preferred Shares of every other series with respect to priority in payment of dividends and in the distribution of assets in the event of liquidation, dissolution or winding-up of the Corporation whether voluntary or involuntary.
7. In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of assets of the Corporation among shareholders for the purpose of winding-up its affairs, the holders of the Preferred Shares shall, before any amount shall be paid to or any property or assets of the Corporation distributed among the holders of the other classes of shares of the Corporation, be entitled to receive (i) an amount equal to the amount paid up on such shares, together with, in the case of cumulative dividends, all unpaid cumulative dividends (which for such purpose shall be calculated as if such cumulative dividends were accruing from day to day for the period from the expiration of the last period for which cumulative dividends have been paid up to and including the date of distribution) and, in the case of non-cumulative dividends, all declared and unpaid non-cumulative dividends, and (ii) if such liquidation, dissolution, winding-up or distribution shall be voluntary, an additional amount equal to the premium, if any, which would have been payable on the redemption of the said Preferred Shares, respectively, if they had been called for redemption by the Corporation on the date of distribution and, if said Preferred Shares could not be redeemed on such date, then an additional amount equal to the greatest premium, if any, which would have been payable on the redemption of said Preferred Shares, respectively.
8. No dividends shall at any time be declared or paid on or set apart for payment on any shares of the Corporation ranking junior to the Preferred Shares unless all dividends up to and including the dividend

payable for the last completed period for which such dividends shall be payable on each series of Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such declaration or payment or setting apart for payment on such shares of the Corporation ranking junior to the Preferred Shares nor, unless any such requirement is waived as part of the conditions, restrictions and limitations attached to a particular series of Preferred Shares, shall the Corporation call for redemption or redeem or purchase for cancellation or reduce or otherwise pay off any of the Preferred Shares (less than the total amount then outstanding) or any shares of the Corporation ranking junior to the Preferred Shares unless all dividends up to and including the dividend payable for the last completed period for which such dividends shall be payable on each series of the Preferred Shares then issued and outstanding shall have been declared and paid or set apart for payment at the date of such call for redemption, purchase, reduction or other payment.

9. The Preferred Shares of any series may be purchased for cancellation or made subject to redemption by the Corporation at such times and at such prices and upon such other terms and conditions as may be specified in the rights, privileges, restrictions and conditions attached to the Preferred Shares of such series as set forth in the resolution of the board of directors of the Corporation and certificate of amendment relating to such series.

10. The provisions of paragraphs 1 to 9, inclusive, and of this paragraph 10 may be deleted or varied in whole or in part by a Certificate of Amendment, but only with the prior approval of the holders of the Preferred Shares given as hereinafter specified in addition to any other approval required by the Canada Business Corporations Act (or any other statutory provision of like or similar effect, from time to time in force). The approval of the holders of the Preferred Shares with respect to any and all matters hereinbefore referred to may be given by at least 2/3 of the votes cast at a meeting of the holders of the Preferred Shares duly called for that purpose and held upon at least 21 days' notice at which the holders of a majority of the outstanding Preferred Shares are present or represented by proxy. If at any such meeting the holders of a majority of the outstanding Preferred Shares are not present or represented by proxy within one-half hour after the time appointed for such meeting, then the meeting shall be adjourned to such date being not less than 30 days later and to such time and place as may be appointed by the chairman and not less than 21 days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called. At such adjourned meeting the holders of Preferred Shares present or represented by proxy may transact the business for which the meeting was originally called and a resolution passed thereat by not less than 2/3 of the votes cast at such adjourned meeting shall constitute the authorization of the holders of the Preferred Shares referred to above. The formalities to be observed in respect of the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed by the by-laws of the Corporation with respect to meetings of shareholders. On every poll taken at every such meeting or adjourned meeting every holder of Preferred Shares shall be entitled to one (1) vote in respect of each Preferred Share held.

PREFERRED SHARES SERIES A

The Preferred Shares Series A shall, in addition to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class (collectively, the "Preferred Shares Class Provisions") carry and be subject to the following rights, privileges, restrictions and conditions (collectively, the "Preferred Shares Series A Provisions"):

1. INTERPRETATION

1.1 Defined Terms

The following words and phrases whenever used in the Preferred Shares Series A Provisions shall have the following meanings, unless there be something in the context otherwise inconsistent therewith:

- (a) "Business Day" shall mean a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the municipality where the Corporation's registered office in Canada is situated;
- (b) "Conversion Basis" at any time shall mean the number of Common Shares of the Corporation into which at such time one (1) Preferred Share Series A shall be convertible in accordance with the provisions of Article 4 of these Preferred Shares Series A Provisions;
- (c) "Conversion Price" shall mean \$0.50;

- (d) "Dividend Payment Date" shall mean the 1st days of January, April, July and October in each calendar year;
- (e) "Dividend Rate" shall mean 12% per year, calculated monthly;
- (f) "Dividend Reinvestment and Stock Purchase Plans" shall mean any plan or plans in effect from time to time pursuant to which, among other things, the holders of the Corporation's outstanding Common Shares may:
- (i) purchase with reinvested dividends at not less than 75% of a specified average market price, additional Common Shares to be issued from treasury;
 - (ii) make optional payments to be applied to the purchase of Common Shares to be issued from treasury at 100% of a specified average market price of Common Shares; or
 - (iii) receive additional Common Shares as stock dividends by electing to receive dividends in Common Shares in lieu of ordinary cash dividends being based on not less than 75% of a specified average market price of Common Shares,
- or any analogous plan or plans;
- (g) "Equivalent Conversion Price" at any time shall mean the quotient obtained by dividing the sum of \$1.00 by the Conversion Basis in effect at such time;
- (h) "Holder's Conversion Option Period" shall have the meaning attributed to it by paragraph 4.2.2.1;
- (i) "Market Price" of the Common Shares at any date shall mean the weighted average trading prices per share of the Common Shares on The Toronto Stock Exchange (or, if the Common Shares are not listed on The Toronto Stock Exchange, on such stock exchange on which such shares are listed as may be selected for that purpose by the directors) during the twenty (20) most recent trading days on which there have been trades immediately prior to such date; provided that if the Common Shares are not listed on any stock exchange, the market price of the Common Shares shall be determined by the directors, which determination shall be conclusive;
- (j) "Notice of the Corporation" shall have the meaning attributed to it by paragraph 4.2.1;
- (k) "Notice of the Trustee" shall have the meaning attributed to it by paragraph 4.2.2;
- (l) "Common Shares" shall mean Common Shares of the Corporation and shares of any other class resulting from any reclassification or change of such shares; and
- (m) "Trust Funds" shall have the meaning attributed to it by paragraph 4.2.1.

1.2 Reference to Statutes

Any reference in the Preferred Shares Series A Provisions to any statute shall be deemed to be a reference to such statute as amended or re-enacted from time to time.

1.3 Canadian Funds

All amounts payable pursuant hereto shall be payable in lawful money of Canada.

1.4 Non-Business Day

If any day on which any dividend on the Preferred Shares Series A is payable or by which any other action is required to be taken hereunder is not a Business Day, then such dividend shall be payable or such other action shall be required to be taken on the next succeeding day that is a Business Day.

1.5 Herein, hereto, etc.

The words "herein", "hereto", "hereof" and similar words refer, unless the context clearly indicates the contrary, to the whole of the Preferred Shares Series A Provisions and not to any particular Article, subsection or

paragraph thereof.

1.6 Number and Gender

Words importing the singular number only shall include the plural and vice-versa, words importing the use of any gender shall include all genders and words importing persons shall include firms and corporations and vice versa.

2. DIVIDENDS

2.1 Payment of Dividends

The holders of Preferred Shares Series A shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the board of directors out of moneys properly applicable to the payment of dividends, cumulative preferential cash dividends (in priority to the Common Shares and any other shares ranking junior to the Preferred Shares Series A) in the amounts determined from time to time in accordance with the provisions hereof. Such dividends on the Preferred Shares Series A shall accrue on a day-to-day basis from and including the date of issue thereof and shall be payable on each Dividend Payment Date to the holders of record at the close of business on the third (3rd) Business Day immediately preceding such Dividend Payment Date by cheques drawn on a Canadian chartered bank and payable at par at any branch in Canada of such bank and the delivery of such cheques shall satisfy and discharge all liability for such dividends to the extent of the sums represented thereby, unless such cheques are not paid on due presentation. If on any Dividend Payment Date dividends payable on such date are not paid in full on all the Preferred Shares Series A then issued and outstanding, such dividends or the unpaid part thereof shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law. The holders of the Preferred Shares Series A shall not be entitled to any dividends other than or in excess of the dividends provided for in this Article 2.

2.2 Amount of Dividends

2.2.1 Subject as hereinafter provided, the amount of the dividend payable on any Dividend Payment Date on any Preferred Share Series A then outstanding shall be equal to the amount (rounded to the nearest \$0.01) calculated by applying the relevant Dividend Rate for the dividend period ending on the day immediately preceding such Dividend Payment Date to the sum of \$1.00.

2.2.2 The dividend payable on any Dividend Payment Date or any other date as herein provided to any holder of Preferred Shares Series A shall be calculated by multiplying the amount of the dividend payable on such date on each such share by the total number of Preferred Shares Series A held by such holder and rounding to the nearest \$0.01.

2.2.3 For the purposes of calculating the amount of the dividend payable on April 1, 2000, the Dividend Rate for the dividend period ending on April 1, 2000 shall be the Dividend Rate as defined in paragraph 2.2.1 hereof multiplied by a fraction the numerator of which is the number of days in such dividend period and the denominator of which is number of days in the stub quarter.

2.2.4 For the purposes of calculating the amount of the dividend payable on any day other than a Dividend Payment Date, the period beginning on the immediately preceding Dividend Payment Date (or, prior to the first regular Dividend Payment Date, the date of issue of the Preferred Shares Series A) and ending on the day immediately preceding the date of such dividend payment shall be deemed to be a dividend period and the Dividend Rate for such deemed dividend period shall be the Dividend Rate as defined in paragraph 2.2.1 hereof multiplied by a fraction the numerator of which is the number of days in such deemed dividend period and the denominator of which is the number of days in the stub quarter in which such deemed dividend period is included.

3. PURCHASE FOR CANCELLATION

3.1 The Corporation may, subject to the provisions of the Canada Business Corporations Act, purchase Preferred Shares Series A at the best possible price obtainable in the open market and upon such terms and conditions as may be freely negotiated with shareholders from time to time. Any Preferred Shares Series A so repurchased shall be cancelled.

4. CONVERSION AND REDEMPTION PRIVILEGE

4.1 Conversion at Option of Holder

4.1.1 A holder of Preferred Shares Series A may choose at any time to demand the conversion of all but not less than all amounts paid up with respect to the Preferred Shares Series A by converting the entire amount paid up on such shares held by such holder, plus, at the holder's option, all or a portion of the unpaid dividends accumulated thereon, if any, into fully paid and non-assessable Common Shares of the Corporation, on a conversion basis established (i) in respect of the amounts paid up with respect to the Preferred Shares, by dividing the amount paid up on such shares by the Conversion Price and (ii) in respect of the unpaid dividends accumulated thereon, by dividing the amount of unpaid dividends accumulated in respect of which a holder made an election to convert for the then outstanding Preferred Shares Series A to be converted by the Market Price, as of the Dividend Payment Date of the dividend payment period during which each such unpaid dividend amount became due.

4.1.2 The conversion right provided for in paragraph 4.1.1 may be exercised by the holder of Preferred Shares Series A by sending to the Corporation's transfer agent, at its principal place of business in the cities of Montreal or Toronto, the Preferred Shares Series A certificate to be converted and a notice of the exercise of the conversion right, which notice shall have been duly signed by the holder of Preferred Shares Series A certificate and shall specify (i) the number of Preferred Shares Series A being converted; (ii) the value of the amounts paid up in respect thereon; (iii) the value of dividends accumulated and unpaid being converted if any; and (iv) the directions for registration and delivery of the Common Shares to be issued (failing which the transfer agent of the Corporation shall use the holder's last known name and address in its registers). If applicable, the holder of Preferred Shares Series A shall provide, together with the aforementioned items, any transfer tax or other tax which may be exigible with respect to such conversion if the Common Shares resulting from the conversion are to be issued to persons other than the holder of the converted Preferred Shares Series A. A surrender to the Corporation's transfer agent, made by the holder of Preferred Shares Series A to be converted, in accordance with this subsection 4.1 and including the duly completed and signed conversion notice shall be deemed to constitute a contract between the holder of Preferred Shares Series A and the Corporation pursuant whereunto (i) the holder of Preferred Shares Series A subscribes for the number of Common Shares the holder of Preferred Shares Series A is entitled to receive pursuant to the conversion, (ii) the holder of Preferred Shares Series A releases the Corporation from any liability with respect to the converted Preferred Shares Series A, and (iii) the Corporation agrees that such surrender of the Preferred Shares Series A for conversion constitutes payment in full of the subscription price for the Common Shares to be issued upon the conversion, the whole with effect as of the date of the conversion at the holder's option as provided hereby.

4.1.3 As soon as possible after the notice of conversion is received by the Corporation, it shall issue and deliver or cause to be issued and delivered to holders of Preferred Shares Series A certificates so surrendered for conversion, or to their written order, one or more certificates registered in the name of the person or persons indicated in the conversion notice, which certificate(s) shall represent the number of Common Shares resulting from the conversion of the Preferred Shares Series A surrendered for such purpose. The conversion into Common Shares shall be deemed to have been made immediately prior to the close of business on the date of receipt by the Corporation of the conversion notice and, as of that moment, (i) the rights of the holder of converted Preferred Shares Series A, in such capacity, shall cease to exist, (ii) the person or persons in whose name one or more certificates representing the Common Shares must be registered and delivered following the conversion shall be deemed to have become registered holders of the Common Shares represented by the certificate(s) and (iii) any unpaid dividends not converted shall be paid to such holder in full and in cash by the Corporation forthwith. However, if the Corporation's transfer books for the said Common Shares are closed on such date, the Corporation shall not be obligated to issue or cause to be issued any Common Shares until the date on which such transfer books are re-opened, and the holder of Preferred Shares Series A having effected the conversion shall not be deemed to have become the holder of the Common Shares to which the conversion entitles him as long as the said transfer books shall not have been re-opened.

4.2 Redemption Offer by Corporation

4.2.1 The Corporation may choose at any time after February 28, 2003, upon the giving to the Corporation's transfer agent of a notice as hereinafter provided for, to offer to redeem all or part of the then outstanding Preferred Shares Series A, plus all unpaid dividends accumulated thereon. The notice of the Corporation to its transfer agent (the "Notice of the Corporation") shall set forth (i) the date of redemption (which shall not be a date which occurs less than sixty (60) Business Days and no more than ninety (90) Business Days after the date of the giving of the Notice of the Corporation); (ii) the number of Preferred Shares Series A plus the amount of unpaid dividends accumulated thereon which the Corporation is offering to redeem; (iii) that the holders of Preferred Shares Series A have a choice to either accept the redemption for cash from the Corporation or elect

to convert, with respect to the corresponding amounts, the Preferred Shares Series A and all or, at the holder's option, part of the dividends accumulated thereon, into Common Shares; (iv) the fact that holders of Preferred Shares Series A have twenty (20) Business Days from the date of giving of the Notice of the Trustee as described below to make their choice and (v) the fact that if the Preferred Share Series A certificates are not surrendered to the Corporation's transfer agent, together with a duly completed notice for the exercise of the conversion right completed as provided for by paragraph 4.1.2 hereof, by the expiry of such twentieth (20th) Business Day, such holder shall be deemed to have chosen payment in cash. The Notice of the Corporation shall be accompanied by the tender by the Corporation, to its transfer agent, in trust, of the amounts required to effect payment for the redemption of the number of Preferred Shares Series A stated in the Notice of the Corporation, plus unpaid dividends accumulated thereon (the "Trust Funds").

4.2.2 As soon as possible after the receipt of the Notice of the Corporation and of the Trust Funds, the Corporation's transfer agent shall deliver to holders of Preferred Shares Series A a notice (a "Notice of the Trustee"), which notice shall set forth (i) the date of redemption stated in the Notice of the Corporation; (ii) the number of Preferred Shares Series A plus the amount of unpaid dividends accumulated thereon which the Corporation is offering to redeem; (iii) that holders of Preferred Shares Series A have a choice to either accept redemption for cash from the Corporation or elect to convert, with respect to the corresponding amounts, the Preferred Shares Series A and all or, at the holder's option, part of the dividends accumulated thereon, into Common Shares; (iv) the fact that holders of Preferred Shares Series A have twenty (20) Business Days from the date of giving of the Notice of the Trustee to make their choice; (v) the fact that if a Preferred Share Series A is not surrendered to the Corporation's transfer agent, together with a duly completed form for the exercise of the conversion right, by the expiry of such delay, such holder shall be deemed to have chosen redemption for cash and (vi) that upon such surrender of the Preferred Shares Series A for conversion such a holder of Preferred Shares Series A has the right to obtain the certificates representing the Common Shares resulting from the conversion or the cash, as applicable. Upon reception of the Notice of the Trustee, a holder of Preferred Shares Series A shall then have the option:

4.2.2.1 to refuse the Corporation's cash redemption offer, in which case such holder must surrender for conversion the corresponding number of Preferred Shares Series A held by him, by sending to the Trustee, at its principal place of business in the cities of Montreal or Toronto, within twenty (20) Business Days of the giving of the Notice of the Trustee (the "Holders Conversion Option Period") the Preferred Shares Series A, surrendered for conversion together with a notice of exercise of the conversion right, completed as provided for by paragraph 4.1.2 hereof which notice shall have been duly signed and completed by the Holder of Preferred Shares Series A; or

4.2.2.2 to accept the Corporation's cash redemption offer, in which case no further actions or steps are required of such holder in order to indicate his choice.

4.2.3 If a holder of Preferred Shares Series A has not surrendered for conversion the Preferred Shares Series A held by him pursuant to the provisions of paragraph 4.2.2.1 above within the Holder's Conversion Option Period, such holder shall be deemed not to have exercised the option referred to in paragraph 4.2.2.1 and shall thereafter be deemed to have exercised the option referred to in paragraph 4.2.2.2.

4.2.4 If a holder of Preferred Shares Series A has exercised the option provided in paragraph 4.2.2.1, the Corporation's transfer agent shall, within ten (10) Business Days following the Holder's Conversion Option Period, upon receipt of the holder's Preferred Shares Series A certificates tendered by such holder together with a notice of conversion completed in the same manner as set out in paragraph 4.1.2 above, deliver to the holders of Preferred Shares Series A certificates so surrendered for conversion, or to their written order, one or more certificates registered in the name of the person or persons indicated by such holders of Preferred Shares Series A, which certificate(s) shall represent such number of Common Shares resulting from the conversion of the Preferred Shares Series A as is obtained (i) in respect of the amounts paid up with respect to the Preferred Shares Series A by dividing the number of Preferred Shares Series A being converted by the Conversion Price and (ii) in respect of the unpaid dividends accumulated thereon by dividing the amount of unpaid dividends accumulated on the Preferred Shares Series A being converted by the Market Price as of the Dividend Payment Date of the dividend payment period during which each such unpaid dividend amount became due. If only a portion of the amount paid up or unpaid dividends on the Preferred Shares Series A certificates surrendered for conversion is to be converted, the holders of such Preferred Shares Series A shall be entitled to receive, at no cost, concurrently with the surrender of any Preferred Share Series A certificates of which only a portion has been converted, one or more Preferred Shares Series A certificates representing the amount paid up thereon and a cash payment representing the unpaid dividends accumulated in respect of the surrendered Preferred Shares Series A. The conversion into Common Shares shall be deemed to have been made immediately prior to the close of business on the date of conversion and, as of that moment, (i) the rights (except as regards any part of

the Preferred Shares Series A which has not been converted) of the holders of converted Preferred Shares Series A, in such capacity, shall cease to exist up to the value of the paid up capital so converted and unpaid dividends thereon, and (ii) the person or persons in whose name one or more certificates representing the Common Shares must be registered and delivered following the conversion shall be deemed to have become a registered holder or registered holders of the Common Shares represented by the certificate(s). However, if the Corporation's transfer books for the said Common Shares are closed on the date of conversion, the Corporation shall not be obligated to issue or cause to be issued any Common Shares until the date on which such transfer books are re-opened, and the holder of Preferred Shares Series A having effected the conversion shall not be deemed to have become the holder of the Common Shares to which the conversion entitles him as long as the said transfer books shall not have been re-opened.

4.2.5 If a holder of Preferred Shares Series A has exercised the option provided by paragraph 4.2.2.2, the Trustee shall, within ten (10) Business Days following the Holder's Conversion Option Period, send to such holder of Preferred Shares Series A a notice which shall set forth (i) that the holder is deemed to have accepted the Corporation's offer of redemption for cash; (ii) the amount paid up in respect of outstanding Preferred Shares Series A (including unpaid dividends accumulated thereon) which is thus redeemed, (iii) the fact that such holder has the right to receive a certified cheque, bank draft or money order for such amounts from the Trust Funds of the Corporation's transfer agent and (iv) that in order to receive payment of the amounts to be repaid by the Corporation, the holder of Preferred Shares Series A must surrender for cancellation his Preferred Share Series A certificate(s) at the principal offices of the Corporation's transfer agent in the cities of Montreal or Toronto. Upon receipt of the Preferred Shares Series A certificates from such holders, the Corporation's transfer agent shall deliver to the holders of Preferred Shares Series A certificates so surrendered for cancellation, or to their written order, from the Trust Funds, certified cheques, bank drafts or money orders made out in the respective names of the holders of Preferred Shares Series A or in the name of the person or persons indicated by the holder of Preferred Shares Series A. If only a portion of the amount paid up or unpaid dividends on the Preferred Shares Series A certificates surrendered for cancellation is to be redeemed, the holders of such Preferred Shares Series A shall be entitled to receive, at no cost, concurrently with the surrender of the Preferred Shares Series A certificates of which only a portion is to be redeemed, one or more Preferred Shares Series A certificates representing the amount of the surrendered Preferred Shares Series A certificates which has not been redeemed. The redemption of Preferred Shares Series A certificates shall be deemed to be made immediately prior to the close of business on the date of redemption and as of that moment, the rights (except as regards any part of Preferred Shares Series A not repaid or unpaid dividends) of the holders of cancelled Preferred Shares Series A, in such capacity, shall cease to exist up to the value of the paid up capital and any dividends thereon so repaid.

4.3 Effect of Conversion of Preferred Shares Series A

4.3.1 If the Preferred Shares Series A are duly converted in accordance with the provisions hereof, the Common Shares subscribed for shall be issued as fully paid and non-assessable Common Shares and the person to whom such Common Shares are issued shall become the holder of record of such Common Shares on the date of conversion unless the transfer registers of the Trustee for the Common Shares shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued and such person shall be deemed to have become the holder of record of such Common Shares on the date on which such transfer registers are reopened.

4.3.2 If any fractional interests in a Common Share would, except for the provisions of this paragraph 4.3.2, be deliverable to a holder of Preferred Shares Series A upon his conversion of Preferred Shares Series A after adding the sum of the Common Shares to which such holder of Preferred Shares Series A would be entitled upon such exercise, the Corporation shall make a cash payment equal to the Market Price of the fraction of the Common Share not so issued.

4.4 Cancellation of Surrendered Preferred Shares Series A Certificates

All Preferred Shares Series A certificates surrendered to the Corporation's transfer agent for redemption or conversion shall be cancelled by the transfer agent. The transfer agent shall, if required by the Corporation, furnish the Corporation with a certificate identifying the Preferred Shares Series A certificates so cancelled and the number of Common Shares which could have been or were acquired pursuant to each cancelled Preferred Shares Series A certificate deemed to have been cancelled.

4.5 Entitlement to Dividends

A holder of Preferred Shares Series A on the record date for any dividend declared payable on such share on

the Dividend Payment Date will be entitled to such dividend notwithstanding that such share is converted after such record date and before the payment date of such dividend, and the registered holder of any Common Share resulting from any conversion shall be entitled to rank equally with the registered holders of all other Common Shares in respect of all dividends declared payable to holders of Common Shares of record on any date after the date of conversion. Subject as aforesaid, no payment or adjustment will be made on account of any dividend, accrued or otherwise, on the Preferred Shares Series A converted or the Common Shares resulting from any conversion.

5. RESTRICTIONS ON PAYMENT OF DIVIDENDS AND RETIREMENT OF SHARES

5.1 So long as any of the Preferred Shares Series A are outstanding, the Corporation shall not, without the prior sanction of the holders thereof given in the same manner as specified for the amendment of the Preferred Shares Class Provisions:

(a) declare or pay or set apart for payment any dividends (other than share dividends in shares ranking junior to the Preferred Shares Series A) on the Common Shares or any other shares of the Corporation ranking junior to the Preferred Shares Series A with respect to payment of dividends, or

(b) call for redemption, purchase, acquire for value or reduce any shares of the Corporation ranking junior to the Preferred Shares Series A with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding Dividend Payment Date on all Preferred Shares Series A and other preferred shares ranking on a parity with the said shares with respect to payment of dividends then outstanding, shall have been declared and paid or made available for payment at the date of any such action referred to in the foregoing paragraphs (a) and (b) and unless there shall remain, after the conclusion of any such action referred to in the foregoing paragraphs (a) and (b), sufficient funds for the redemption of all then issued and outstanding Preferred Shares Series A.

6. CREATION OR ISSUE OF ADDITIONAL PREFERRED SHARES

6.1 At any time when any of the Preferred Shares Series A are outstanding, the Corporation shall not, without the prior sanction of the holders of 66 2/3% of the Preferred Shares Series A given as specified in the Preferred Shares Class Provisions, create, issue or sell any other shares ranking prior to the Preferred Shares Series A with respect to the payment of dividends or repayment of capital.

7. AMENDMENTS

7.1 The provisions of sections 1 to 7, inclusive, of the Preferred Shares Series A Provisions may be repealed, altered, modified, amended or amplified only with the sanction of the holders of the Preferred Shares Series A given as specified in the Preferred Shares Class Provisions, in addition to any other approval required by the Canada Business Corporations Act.

PREFERRED SHARES SERIES B

The Preferred Shares Series B shall, in addition to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class (collectively, the "Preferred Shares Class Provisions") carry and be subject to the following rights, privileges, restrictions and conditions (collectively, the "Preferred Shares Series B Provisions"):

1. INTERPRETATION

1.1 Defined Terms

The following words and phrases whenever used in the Preferred Shares Series B Provisions shall have the following meanings, unless there be something in the context otherwise inconsistent therewith:

(a) "Business Day" shall mean a day other than a Saturday, a Sunday or any other day that is treated as a holiday in the municipality where the Corporation's registered office in Canada is situated;

(b) "Conversion Basis" at any time shall mean the number of Common Shares of the Corporation into which at such time one (1) Preferred Share Series B shall be convertible in accordance with the provisions of

Article 4 of these Preferred Shares Series B Provisions;

- (c) "Conversion Price" shall mean \$0.60;
- (d) "Dividend Payment Date" shall mean the 1st days of January, April, July and October in each calendar year;
- (e) "Dividend Rate" shall mean 12% per year, calculated monthly;
- (f) "Dividend Reinvestment and Stock Purchase Plans" shall mean any plan or plans in effect from time to time pursuant to which, among other things, the holders of the Corporation's outstanding Common Shares may:
 - (i) purchase with reinvested dividends at not less than 75% of a specified average market price, additional Common Shares to be issued from treasury;
 - (ii) make optional payments to be applied to the purchase of Common Shares to be issued from treasury at 100% of a specified average market price of Common Shares; or
 - (iii) receive additional Common Shares as stock dividends by electing to receive dividends in Common Shares in lieu of ordinary cash dividends being based on not less than 75% of a specified average market price of Common Shares,or any analogous plan or plans;
- (g) "Equivalent Conversion Price" at any time shall mean the quotient obtained by dividing the sum of \$1.00 by the Conversion Basis in effect at such time;
- (h) "Holder's Conversion Option Period" shall have the meaning attributed to it by paragraph 4.2.2.1;
- (i) "Market Price" of the Common Shares at any date shall mean the weighted average trading prices per share of the Common Shares on The Toronto Stock Exchange (or, if the Common Shares are not listed on The Toronto Stock Exchange, on such stock exchange on which such shares are listed as may be selected for that purpose by the directors) during the twenty (20) most recent trading days on which there have been trades immediately prior to such date; provided that if the Common Shares are not listed on any stock exchange, the market price of the Common Shares shall be determined by the directors, which determination shall be conclusive;
- (j) "Notice of the Corporation" shall have the meaning attributed to it by paragraph 4.2.1;
- (k) "Notice of the Trustee" shall have the meaning attributed to it by paragraph 4.2.2;
- (l) "Common Shares" shall mean Common Shares of the Corporation and shares of any other class resulting from any reclassification or change of such shares; and
- (m) "Trust Funds" shall have the meaning attributed to it by paragraph 4.2.1.

1.2 Reference to Statutes

Any reference in the Preferred Shares Series B Provisions to any statute shall be deemed to be a reference to such statute as amended or re-enacted from time to time.

1.3 Canadian Funds

All amounts payable pursuant hereto shall be payable in lawful money of Canada.

1.4 Non-Business Day

If any day on which any dividend on the Preferred Shares Series B is payable or by which any other action is required to be taken hereunder is not a Business Day, then such dividend shall be payable or such other action shall be required to be taken on the next succeeding day that is a Business Day.

1.5 Herein, hereto, etc.

The words "herein", "hereto", "hereof" and similar words refer, unless the context clearly indicates the contrary, to the whole of the Preferred Shares Series B Provisions and not to any particular Article, subsection or paragraph thereof.

1.6 Number and Gender

Words importing the singular number only shall include the plural and vice-versa, words importing the use of any gender shall include all genders and words importing persons shall include firms and corporations and vice versa.

2. DIVIDENDS

2.1 Payment of Dividends

The holders of Preferred Shares Series B shall be entitled to receive, and the Corporation shall pay thereon, as and when declared by the board of directors out of moneys properly applicable to the payment of dividends, cumulative preferential cash dividends (in priority to the Common Shares and any other shares ranking junior to the Preferred Shares Series B) in the amounts determined from time to time in accordance with the provisions hereof. Such dividends on the Preferred Shares Series B shall accrue on a day-to-day basis from and including the date of issue thereof and shall be payable on each Dividend Payment Date to the holders of record at the close of business on the third (3rd) Business Day immediately preceding such Dividend Payment Date by cheques drawn on a Canadian chartered bank and payable at par at any branch in Canada of such bank and the delivery of such cheques shall satisfy and discharge all liability for such dividends to the extent of the sums represented thereby, unless such cheques are not paid on due presentation. If on any Dividend Payment Date dividends payable on such date are not paid in full on all the Preferred Shares Series B then issued and outstanding, such dividends or the unpaid part thereof shall be paid on a subsequent date or dates determined by the directors on which the Corporation shall have sufficient moneys properly applicable, under the provisions of any applicable law. The holders of the Preferred Shares Series B shall not be entitled to any dividends other than or in excess of the dividends provided for in this Article 2.

2.2 Amount of Dividends

2.2.1 Subject as hereinafter provided, the amount of the dividend payable on any Dividend Payment Date on any Preferred Share Series B then outstanding shall be equal to the amount (rounded to the nearest \$0.01) calculated by applying the relevant Dividend Rate for the dividend period ending on the day immediately preceding such Dividend Payment Date to the sum of \$1.00.

2.2.2 The dividend payable on any Dividend Payment Date or any other date as herein provided to any holder of Preferred Shares Series B shall be calculated by multiplying the amount of the dividend payable on such date on each such share by the total number of Preferred Shares Series B held by such holder and rounding to the nearest \$0.01.

2.2.3 For the purposes of calculating the amount of the dividend payable on April 1, 2000, the Dividend Rate for the dividend period ending on April 1, 2000 shall be the Dividend Rate as defined in paragraph 2.2.1 hereof multiplied by a fraction the numerator of which is the number of days in such dividend period and the denominator of which is number of days in the stub quarter.

2.2.4 For the purposes of calculating the amount of the dividend payable on any day other than a Dividend Payment Date, the period beginning on the immediately preceding Dividend Payment Date (or, prior to the first regular Dividend Payment Date, the date of issue of the Preferred Shares Series B) and ending on the day immediately preceding the date of such dividend payment shall be deemed to be a dividend period and the Dividend Rate for such deemed dividend period shall be the Dividend Rate as defined in paragraph 2.2.1 hereof multiplied by a fraction the numerator of which is the number of days in such deemed dividend period and the denominator of which is the number of days in the stub quarter in which such deemed dividend period is included.

3. PURCHASE FOR CANCELLATION

3.1 The Corporation may, subject to the provisions of the Canada Business Corporations Act, purchase Preferred Shares Series B at the best possible price obtainable in the open market and upon such terms and

conditions as may be freely negotiated with shareholders from time to time. Any Preferred Shares Series B so repurchased shall be cancelled.

4. CONVERSION AND REDEMPTION PRIVILEGE

4.1 Conversion at Option of Holder

4.1.1 A holder of Preferred Shares Series B may choose at any time to demand the conversion of all but not less than all amounts paid up with respect to the Preferred Shares Series B by converting the entire amount paid up on such shares held by such holder, plus, at the holder's option, all or a portion of the unpaid dividends accumulated thereon, if any, into fully paid and non-assessable Common Shares of the Corporation, on a conversion basis established (i) in respect of the amounts paid up with respect to the Preferred Shares, by dividing the amount paid up on such shares by the Conversion Price and (ii) in respect of the unpaid dividends accumulated thereon, by dividing the amount of unpaid dividends accumulated in respect of which a holder made an election to convert for the then outstanding Preferred Shares Series B to be converted by the Market Price, as of the Dividend Payment Date of the dividend payment period during which each such unpaid dividend amount became due.

4.1.2 The conversion right provided for in paragraph 4.1.1 may be exercised by the holder of Preferred Shares Series B by sending to the Corporation's transfer agent, at its principal place of business in the cities of Montreal or Toronto, the Preferred Shares Series B certificate to be converted and a notice of the exercise of the conversion right, which notice shall have been duly signed by the holder of Preferred Shares Series B certificate and shall specify (i) the number of Preferred Shares Series B being converted; (ii) the value of the amounts paid up in respect thereon; (iii) the value of dividends accumulated and unpaid being converted if any; and (iv) the directions for registration and delivery of the Common Shares to be issued (failing which the transfer agent of the Corporation shall use the holder's last known name and address in its registers). If applicable, the holder of Preferred Shares Series B shall provide, together with the aforementioned items, any transfer tax or other tax which may be exigible with respect to such conversion if the Common Shares resulting from the conversion are to be issued to persons other than the holder of the converted Preferred Shares Series B. A surrender to the Corporation's transfer agent, made by the holder of Preferred Shares Series B to be converted, in accordance with this subsection 4.1 and including the duly completed and signed conversion notice shall be deemed to constitute a contract between the holder of Preferred Shares Series B and the Corporation pursuant whereunto (i) the holder of Preferred Shares Series B subscribes for the number of Common Shares the holder of Preferred Shares Series B is entitled to receive pursuant to the conversion, (ii) the holder of Preferred Shares Series B releases the Corporation from any liability with respect to the converted Preferred Shares Series B, and (iii) the Corporation agrees that such surrender of the Preferred Shares Series B for conversion constitutes payment in full of the subscription price for the Common Shares to be issued upon the conversion, the whole with effect as of the date of the conversion at the holder's option as provided hereby.

4.1.3 As soon as possible after the notice of conversion is received by the Corporation, it shall issue and deliver or cause to be issued and delivered to holders of Preferred Shares Series B certificates so surrendered for conversion, or to their written order, one or more certificates registered in the name of the person or persons indicated in the conversion notice, which certificate(s) shall represent the number of Common Shares resulting from the conversion of the Preferred Shares Series B surrendered for such purpose. The conversion into Common Shares shall be deemed to have been made immediately prior to the close of business on the date of receipt by the Corporation of the conversion notice and, as of that moment, (i) the rights of the holder of converted Preferred Shares Series B, in such capacity, shall cease to exist, (ii) the person or persons in whose name one or more certificates representing the Common Shares must be registered and delivered following the conversion shall be deemed to have become registered holders of the Common Shares represented by the certificate(s) and (iii) any unpaid dividends not converted shall be paid to such holder in full and in cash by the Corporation forthwith. However, if the Corporation's transfer books for the said Common Shares are closed on such date, the Corporation shall not be obligated to issue or cause to be issued any Common Shares until the date on which such transfer books are re-opened, and the holder of Preferred Shares Series B having effected the conversion shall not be deemed to have become the holder of the Common Shares to which the conversion entitles him as long as the said transfer books shall not have been re-opened.

4.2 Redemption Offer by Corporation

4.2.1 The Corporation may choose at any time after February 28, 2003, upon the giving to the Corporation's transfer agent of a notice as hereinafter provided for, to offer to redeem all or part of the then outstanding Preferred Shares Series B, plus all unpaid dividends accumulated thereon. The notice of the Corporation to its transfer agent (the "Notice of the Corporation") shall set forth (i) the date of redemption (which shall not be a

date which occurs less than sixty (60) Business Days and no more than ninety (90) Business Days after the date of the giving of the Notice of the Corporation); (ii) the number of Preferred Shares Series B plus the amount of unpaid dividends accumulated thereon which the Corporation is offering to redeem; (iii) that the holders of Preferred Shares Series B have a choice to either accept the redemption for cash from the Corporation or elect to convert, with respect to the corresponding amounts, the Preferred Shares Series B and all or, at the holder's option, part of the dividends accumulated thereon, into Common Shares; (iv) the fact that holders of Preferred Shares Series B have twenty (20) Business Days from the date of giving of the Notice of the Trustee as described below to make their choice and (v) the fact that if the Preferred Share Series B certificates are not surrendered to the Corporation's transfer agent, together with a duly completed notice for the exercise of the conversion right completed as provided for by paragraph 4.1.2 hereof, by the expiry of such twentieth (20th) Business Day, such holder shall be deemed to have chosen payment in cash. The Notice of the Corporation shall be accompanied by the tender by the Corporation, to its transfer agent, in trust, of the amounts required to effect payment for the redemption of the number of Preferred Shares Series B stated in the Notice of the Corporation, plus unpaid dividends accumulated thereon (the "Trust Funds").

4.2.2 As soon as possible after the receipt of the Notice of the Corporation and of the Trust Funds, the Corporation's transfer agent shall deliver to holders of Preferred Shares Series B a notice (a "Notice of the Trustee"), which notice shall set forth (i) the date of redemption stated in the Notice of the Corporation; (ii) the number of Preferred Shares Series B plus the amount of unpaid dividends accumulated thereon which the Corporation is offering to redeem; (iii) that holders of Preferred Shares Series B have a choice to either accept redemption for cash from the Corporation or elect to convert, with respect to the corresponding amounts, the Preferred Shares Series B and all or, at the holder's option, part of the dividends accumulated thereon, into Common Shares; (iv) the fact that holders of Preferred Shares Series B have twenty (20) Business Days from the date of giving of the Notice of the Trustee to make their choice; (v) the fact that if a Preferred Share Series B is not surrendered to the Corporation's transfer agent, together with a duly completed form for the exercise of the conversion right, by the expiry of such delay, such holder shall be deemed to have chosen redemption for cash and (vi) that upon such surrender of the Preferred Shares Series B for conversion such a holder of Preferred Shares Series B has the right to obtain the certificates representing the Common Shares resulting from the conversion or the cash, as applicable. Upon reception of the Notice of the Trustee, a holder of Preferred Shares Series B shall then have the option:

4.2.2.1 to refuse the Corporation's cash redemption offer, in which case such holder must surrender for conversion the corresponding number of Preferred Shares Series B held by him, by sending to the Trustee, at its principal place of business in the cities of Montreal or Toronto, within twenty (20) Business Days of the giving of the Notice of the Trustee (the "Holders Conversion Option Period") the Preferred Shares Series B, surrendered for conversion together with a notice of exercise of the conversion right, completed as provided for by paragraph 4.1.2 hereof which notice shall have been duly signed and completed by the Holder of Preferred Shares Series B; or

4.2.2.2 to accept the Corporation's cash redemption offer, in which case no further actions or steps are required of such holder in order to indicate his choice.

4.2.3 If a holder of Preferred Shares Series B has not surrendered for conversion the Preferred Shares Series B held by him pursuant to the provisions of paragraph 4.2.2.1 above within the Holder's Conversion Option Period, such holder shall be deemed not to have exercised the option referred to in paragraph 4.2.2.1 and shall thereafter be deemed to have exercised the option referred to in paragraph 4.2.2.2.

4.2.4 If a holder of Preferred Shares Series B has exercised the option provided in paragraph 4.2.2.1, the Corporation's transfer agent shall, within ten (10) Business Days following the Holder's Conversion Option Period, upon receipt of the holder's Preferred Shares Series B certificates tendered by such holder together with a notice of conversion completed in the same manner as set out in paragraph 4.1.2 above, deliver to the holders of Preferred Shares Series B certificates so surrendered for conversion, or to their written order, one or more certificates registered in the name of the person or persons indicated by such holders of Preferred Shares Series B, which certificate(s) shall represent such number of Common Shares resulting from the conversion of the Preferred Shares Series B as is obtained (i) in respect of the amounts paid up with respect to the Preferred Shares Series B by dividing the number of Preferred Shares Series B being converted by the Conversion Price and (ii) in respect of the unpaid dividends accumulated thereon by dividing the amount of unpaid dividends accumulated on the Preferred Shares Series B being converted by the Market Price as of the Dividend Payment Date of the dividend payment period during which each such unpaid dividend amount became due. If only a portion of the amount paid up or unpaid dividends on the Preferred Shares Series B certificates surrendered for conversion is to be converted, the holders of such Preferred Shares Series B shall be entitled to receive, at no cost, concurrently with the surrender of any Preferred Share Series B certificates of which only a portion has

been converted, one or more Preferred Shares Series B certificates representing the amount paid up thereon and a cash payment representing the unpaid dividends accumulated in respect of the surrendered Preferred Shares Series B. The conversion into Common Shares shall be deemed to have been made immediately prior to the close of business on the date of conversion and, as of that moment, (i) the rights (except as regards any part of the Preferred Shares Series B which has not been converted) of the holders of converted Preferred Shares Series B, in such capacity, shall cease to exist up to the value of the paid up capital so converted and unpaid dividends thereon, and (ii) the person or persons in whose name one or more certificates representing the Common Shares must be registered and delivered following the conversion shall be deemed to have become a registered holder or registered holders of the Common Shares represented by the certificate(s). However, if the Corporation's transfer books for the said Common Shares are closed on the date of conversion, the Corporation shall not be obligated to issue or cause to be issued any Common Shares until the date on which such transfer books are re-opened, and the holder of Preferred Shares Series B having effected the conversion shall not be deemed to have become the holder of the Common Shares to which the conversion entitles him as long as the said transfer books shall not have been re-opened.

4.2.5 If a holder of Preferred Shares Series B has exercised the option provided by paragraph 4.2.2.2, the Trustee shall, within ten (10) Business Days following the Holder's Conversion Option Period, send to such holder of Preferred Shares Series B a notice which shall set forth (i) that the holder is deemed to have accepted the Corporation's offer of redemption for cash; (ii) the amount paid up in respect of outstanding Preferred Shares Series B (including unpaid dividends accumulated thereon) which is thus redeemed, (iii) the fact that such holder has the right to receive a certified cheque, bank draft or money order for such amounts from the Trust Funds of the Corporation's transfer agent and (iv) that in order to receive payment of the amounts to be repaid by the Corporation, the holder of Preferred Shares Series B must surrender for cancellation his Preferred Share Series B certificate(s) at the principal offices of the Corporation's transfer agent in the cities of Montreal or Toronto. Upon receipt of the Preferred Shares Series B certificates from such holders, the Corporation's transfer agent shall deliver to the holders of Preferred Shares Series B certificates so surrendered for cancellation, or to their written order, from the Trust Funds, certified cheques, bank drafts or money orders made out in the respective names of the holders of Preferred Shares Series B or in the name of the person or persons indicated by the holder of Preferred Shares Series B. If only a portion of the amount paid up or unpaid dividends on the Preferred Shares Series B certificates surrendered for cancellation is to be redeemed, the holders of such Preferred Shares Series B shall be entitled to receive, at no cost, concurrently with the surrender of the Preferred Shares Series B certificates of which only a portion is to be redeemed, one or more Preferred Shares Series B certificates representing the amount of the surrendered Preferred Shares Series B certificates which has not been redeemed. The redemption of Preferred Shares Series B certificates shall be deemed to be made immediately prior to the close of business on the date of redemption and as of that moment, the rights (except as regards any part of Preferred Shares Series B not repaid or unpaid dividends) of the holders of cancelled Preferred Shares Series B, in such capacity, shall cease to exist up to the value of the paid up capital and any dividends thereon so repaid.

4.3 Effect of Conversion of Preferred Shares Series B

4.3.1 If the Preferred Shares Series B are duly converted in accordance with the provisions hereof, the Common Shares subscribed for shall be issued as fully paid and non-assessable Common Shares and the person to whom such Common Shares are issued shall become the holder of record of such Common Shares on the date of conversion unless the transfer registers of the Trustee for the Common Shares shall be closed on such date, in which case the Common Shares subscribed for shall be deemed to have been issued and such person shall be deemed to have become the holder of record of such Common Shares on the date on which such transfer registers are reopened.

4.3.2 If any fractional interests in a Common Share would, except for the provisions of this paragraph 4.3.2, be deliverable to a holder of Preferred Shares Series B upon his conversion of Preferred Shares Series B after adding the sum of the Common Shares to which such holder of Preferred Shares Series B would be entitled upon such exercise, the Corporation shall make a cash payment equal to the Market Price of the fraction of the Common Share not so issued.

4.4 Cancellation of Surrendered Preferred Shares Series B Certificates

All Preferred Shares Series B certificates surrendered to the Corporation's transfer agent for redemption or conversion shall be cancelled by the transfer agent. The transfer agent shall, if required by the Corporation, furnish the Corporation with a certificate identifying the Preferred Shares Series B certificates so cancelled and the number of Common Shares which could have been or were acquired pursuant to each cancelled Preferred Shares Series B certificate deemed to have been cancelled.

4.5 Entitlement to Dividends

A holder of Preferred Shares Series B on the record date for any dividend declared payable on such share on the Dividend Payment Date will be entitled to such dividend notwithstanding that such share is converted after such record date and before the payment date of such dividend, and the registered holder of any Common Share resulting from a ny conversion shall be entitled to rank equally with the registered holders of all other Common Shares in respect of all dividends declared payable to holders of Common Shares of record on any date after the date of conversion. Subject as aforesaid, no payment or adjustment will be made on account of any dividend, accrued or otherwise, on the Preferred Shares Series B converted or the Common Shares resulting from any conversion.

5. RESTRICTIONS ON PAYMENT OF DIVIDENDS AND RETIREMENT OF SHARES

5.1 So long as any of the Preferred Shares Series B are outstanding, the Corporation shall not, without the prior sanction of the holders thereof given in the same manner as specified for the amendment of the Preferred Shares Class Provisions:

(a) declare or pay or set apart for payment any dividends (other than share dividends in shares ranking junior to the Preferred Shares Series B) on the Common Shares or any other shares of the Corporation ranking junior to the Preferred Shares Series B with respect to payment of dividends, or

(b) call for redemption, purchase, acquire for value or reduce any shares of the Corporation ranking junior to the Preferred Shares Series B with respect to repayment of capital or with respect to payment of dividends,

unless all dividends up to and including the dividend payable on the last preceding Dividend Payment Date on all Preferred Shares Series B and other preferred shares ranking on a parity with the said shares with respect to payment of dividends then outstanding, shall have been declared and paid or made available for payment at the date of any such action referred to in the foregoing paragraphs (a) and (b) and unless there shall remain, after the conclusion of any such action referred to in the foregoing paragraphs (a) and (b), sufficient funds for the redemption of all then issued and outstanding Preferred Shares Series B.

6. CREATION OR ISSUE OF ADDITIONAL PREFERRED SHARES

6.1 At any time when any of the Preferred Shares Series B are outstanding, the Corporation shall not, without the prior sanction of the holders of 66 2/3% of the Preferred Shares Series B given as specified in the Preferred Shares Class Provisions, create, issue or sell any other shares ranking prior to the Preferred Shares Series B with respect to the payment of dividends or repayment of capital.

7. AMENDMENTS

7.1 The provisions of sections 1 to 7, inclusive, of the Preferred Shares Series B Provisions may be repealed, altered, modified, amended or amplified only with the sanction of the holders of the Preferred Shares Series B given as specified in the Preferred Shares Class Provisions, in addition to any other approval required by the Canada Business Corporations Act.

Date	Name - Nom	Signature	Capacity of - en qualité
2008-05-15	PIERRE LAURIN		AUTHORIZED OFFICER

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