



**Notice of Annual and Special Meeting of the Shareholders
and
Management Proxy Circular
of
Silver Wheaton Corp.**

DATED: March 25, 2008

SILVER WHEATON CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special Meeting of shareholders (the "Meeting") of Silver Wheaton Corp. (the "Company") will be held in Oceanview Suites 5 and 6 of the Pan Pacific Hotel, 300 – 999 Canada Place, Vancouver, British Columbia on May 14, 2008 at 2:00 p.m. (Vancouver time), for the following purposes:

- (a) To receive and consider the audited consolidated financial statements of the Company for the year ended December 31, 2007 and the report of the auditors thereon;
- (b) To elect the directors of the Company for the ensuing year;
- (c) To appoint Deloitte & Touche LLP, Independent Registered Chartered Accountants, as auditors of the Company for the ensuing year and to authorize the directors to fix the auditors' remuneration;
- (d) To consider and, if deemed appropriate, to pass, with or without variation, a resolution confirming a new general by-law for the Company, as more particularly described in the accompanying management information circular; and
- (e) To transact such other business as may properly come before the Meeting or any adjournment thereof.

This notice is accompanied by a management information circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders, and, for registered shareholders, a copy of the audited consolidated financial statements and MD&A of the Company for the financial year ended December 31, 2007. Shareholders are able to request to receive copies of the Company's annual and/or interim financial statements and MD&A on the form of proxy or voting instruction form, as applicable. The audited consolidated financial statements and MD&A of the Company for the financial year ended December 31, 2007 will be sent to those shareholders who have previously requested to receive them. Otherwise, they are available upon request to the Company or they can be found on SEDAR at www.sedar.com, on the United States Securities and Exchange Commission website at www.sec.gov, or on the Company's website at www.silverwheaton.com.

Shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy or voting instruction form so that as large a representation as possible may be had at the Meeting.

The board of directors of the Company has by resolution fixed the close of business on March 25, 2008 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

The board of directors of the Company has by resolution fixed 2:00 p.m. (Vancouver time) on May 12, 2008, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting, as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company's transfer agent.

DATED at Vancouver, British Columbia this 25th day of March, 2008.

By Order of the Board of Directors

"Peter D. Barnes"

Peter D. Barnes

President and Chief Executive Officer

SILVER WHEATON CORP.

MANAGEMENT INFORMATION CIRCULAR

Solicitation of Proxies

This management information circular is furnished to the holders of common shares (the "shareholders") in connection with the solicitation of proxies by the management of Silver Wheaton Corp. (the "Company") for use at the annual and special meeting of shareholders (the "Meeting") of the Company to be held at the time and place and for the purposes set forth in the accompanying Notice of Meeting. References in this management information circular to the Meeting include any adjournment or adjournments thereof. It is expected that the solicitation will be primarily by mail, however, proxies may also be solicited personally by regular employees of the Company and the Company may use the services of an outside proxy solicitation agency to solicit proxies. The cost of solicitation will be borne by the Company.

The board of directors of the Company (the "Board") has fixed the close of business on March 25, 2008 as the record date, being the date for the determination of the registered holders of securities entitled to receive notice of, and to vote at, the Meeting. Duly completed and executed proxies must be received by the Company's transfer agent at the address indicated on the enclosed envelope no later than 2:00 p.m. (Vancouver time) on May 12, 2008, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting.

Unless otherwise stated, the information contained in this management information circular is as of March 25, 2008. All dollar amounts referenced herein, unless otherwise indicated, are expressed in United States dollars and Canadian dollars are referred to as "C\$". Any United States dollar amounts which have been converted from Canadian dollars have been converted at an exchange rate of \$1.0120.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers or directors of the Company. **A shareholder desiring to appoint some other person, who need not be a shareholder, to represent such shareholder at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the office of the Company's transfer agent indicated on the enclosed envelope no later than 2:00 p.m. (Vancouver time) on May 12, 2008, or no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time of any adjourned Meeting.**

A shareholder forwarding the enclosed proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a shareholder will be voted in accordance with the directions, if any, given in the proxy.

A proxy given pursuant to this solicitation may be revoked by an instrument in writing executed by a shareholder or by a shareholder's attorney authorized in writing (or, if the shareholder is a corporation, by a duly authorized officer or attorney) and deposited either at the registered office of the Company (Silver Wheaton Corp. c/o Cassels Brock & Blackwell LLP, 40 King Street West, Suite 2100, Toronto, ON M5H 3C2; Attention: Paul Stein) at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting on the day of the Meeting or in any other manner permitted by law.

Exercise of Discretion by Proxies

The persons named in the enclosed form of proxy will vote the shares in respect of which they are appointed in accordance with the direction of the shareholders appointing them. **In the absence of such direction, such shares will be voted in favour of the passing of all the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** At the time of printing of this management information circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.

Voting by Non-Registered Shareholders

Only registered shareholders of the Company or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders (“Non-Registered Shareholders”) because the 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 shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an “Intermediary”) that the Non-Registered Shareholder deals with in respect of the shares of the Company (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company will have distributed copies of the notice of meeting, this management information circular and the form of proxy (which includes a place to request copies of the Company’s annual and/or interim financial statements and MD&A or to waive the receipt of the annual and/or interim financial statements and MD&A) (collectively, the “Meeting Materials”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

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

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “voting instruction form”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (ii) 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 Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario, M5A 4K9.**

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the shares of the Company they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert the Non-Registered Shareholder or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

Voting Securities and Principal Holders Thereof

As of March 25, 2008, 223,714,717 common shares (the "Common Shares") in the capital of the Company were issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of shareholders entitled to receive notice of, and to vote at, the Meeting has been fixed at March 25, 2008. In accordance with the provisions of the *Business Corporations Act* (Ontario), the Company will prepare a list of holders of Common Shares as of such record date. Each holder of Common Shares named in the list will be entitled to vote the shares shown opposite his or her name on the list at the Meeting. All such holders of record of Common Shares are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Company's transfer agent within the time specified in the attached Notice of Meeting, to attend and vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Company, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Company carrying more than 10% of the voting rights attached to any class of voting securities of the Company.

Statement of Executive Compensation

The following table provides information for the three most recently completed financial years ended December 31, 2007 regarding compensation paid to or earned by the Company's (i) President and Chief Executive Officer, (ii) Chief Financial Officer, (iii) Executive Vice President, Corporate Development, and (iv) Vice President, Legal (the "Named Executive Officers"). For the financial year ended December 31, 2007, the Company did not have any other executive officers whose total salary and bonus exceeded C\$150,000.

Summary Compensation Table ⁽¹⁾

Name and Principal Position	Year	Annual Compensation			Long-Term Compensation			All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards		Payouts	
					Securities Under Options Granted (#)	Shares or Units Subject to Resale Restrictions (\$)	LTIP Payouts (\$)	
Peter D. Barnes President and Chief Executive Officer	2007	581,900	506,000	Nil	200,000	Nil	Nil	20,536 ⁽³⁾
	2006	317,277 ⁽²⁾	300,335	Nil	500,000	Nil	Nil	3,853 ⁽³⁾
	2005	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nolan Watson Chief Financial Officer	2007	227,700	253,000	Nil	100,000	Nil	Nil	Nil
	2006	106,756 ⁽⁴⁾	128,715	Nil	Nil	Nil	Nil	Nil
	2005	63,191	30,034	Nil	115,000	Nil	Nil	Nil
Randy Smallwood Executive Vice President, Corporate Development	2007	253,000	253,000	Nil	200,000	Nil	Nil	Nil
	2006	77,229 ⁽⁵⁾	128,715	Nil	Nil	Nil	Nil	Nil
	2005	45,744 ⁽⁶⁾	32,164	Nil	100,000	Nil	Nil	Nil
Michael Johnson Vice President, Legal	2007	39,302 ⁽⁷⁾	40,480 ⁽⁷⁾	Nil	150,000	Nil	Nil	Nil
	2006	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2005	N/A	N/A	N/A	N/A	N/A	N/A	N/A

- (1) All dollar amounts are expressed in United States dollars and have been converted from Canadian dollars at an exchange rate of \$1.0120 for 2007, \$0.8581 for 2006 and \$0.8577 for 2005.
- (2) Mr. Barnes was appointed as President and Chief Executive Officer of the Company on April 20, 2006.
- (3) These amounts represent life insurance premiums paid by the Company on behalf of Mr. Barnes.
- (4) Mr. Watson was appointed as Chief Financial Officer of the Company on April 20, 2006.
- (5) Mr. Smallwood's annual salary for the financial year ended December 31, 2006 was C\$180,000, half of which was charged back to Goldcorp pursuant to a services agreement in place at that time.
- (6) Mr. Smallwood's annual salary for the financial year ended December 31, 2005 was C\$160,000, two-thirds of which was charged back to Goldcorp pursuant to a services agreement in place at that time.
- (7) Mr. Johnson was appointed as Vice President, Legal of the Company on October 30, 2007. His 2007 base salary (C\$225,000) and bonus were pro-rated for 2007.

Summary Compensation Table for Chief Executive Officer ⁽¹⁾

The following table provides information for the three most recently completed financial years ended December 31, 2007 regarding compensation paid to or earned by the President and Chief Executive Officer of the Company.

Peter D. Barnes President and Chief Executive Officer	2007	2006	2005
	(\$)	(\$)	(\$)
CASH			
Base Salary	581,900	317,277 ⁽²⁾	N/A
Cash Bonus	506,000	300,335	N/A
Total Cash	1,087,900	617,612	N/A
EQUITY			
Stock Options	918,000 ⁽³⁾	1,679,747 ⁽⁴⁾	N/A
Total Equity	918,000	1,679,747	N/A
Total Direct Compensation	2,005,900	2,297,359	N/A

- (1) All dollar amounts are expressed in United States dollars and have been converted from Canadian dollars at an exchange rate of \$1.0120 for 2007 and \$0.8581 for 2006.
- (2) Based on an annual base salary of C\$500,000 (\$429,050). This amount represents salary paid by the Company from April 20, 2006 to December 31, 2006.
- (3) Represents the Black Scholes value of options to purchase 200,000 Common Shares granted under the Company's share option plan (the "Share Option Plan") at an exercise price of C\$12.60 per share. These options vested as to 66,667 on February 21, 2008 and will vest as to 66,667 on February 21, 2009 and as to 66,666 on February 21, 2010.
- (4) Represents the Black Scholes value of options to purchase 500,000 Common Shares granted under the Share Option Plan at an exercise price of C\$12.45 per share. These options vested as to 166,667 on April 21, 2006 and as to 166,667 on April 21, 2007 and will vest as to 166,666 on April 21, 2008.

The following table provides information regarding the aggregate number and value of all Common Shares and stock options held by the President and Chief Executive Officer of the Company at December 31, 2007.

Common Shares		Exercisable Stock Options		Unexercisable Stock Options	
Number	Value (C\$)	Number	Value (C\$)	Number	Value (C\$)
87,000	1,461,600	683,334	6,192,503	366,666	1,564,997

Chief Executive Officer Investment Requirements

The Board has implemented a policy which requires the Chief Executive Officer of the Company to hold a minimum of 20,000 Common Shares, with a current value of approximately C\$340,000. This requirement must be maintained throughout his tenure as Chief Executive Officer. Mr. Barnes holds 87,000 Common Shares, with a value of C\$1,461,600 as at December 31, 2007.

The Company does not have any supplemental executive retirement plans.

Stock Options

The following table provides details of stock options granted to the Named Executive Officers during the financial year ended December 31, 2007 pursuant to the Share Option Plan.

Option Grants During the Financial Year Ended December 31, 2007

Name	Securities Under Options Granted (#) ⁽¹⁾	Percent of Total Options Granted to Employees in Financial Year ⁽²⁾	Exercise or Base Price (C\$/Security)	Market Value of Securities Underlying Options on the Date of Grant (C\$/Security) ⁽³⁾	Expiration Date
Peter D. Barnes	200,000 ⁽⁴⁾	21%	12.60	12.60	February 21, 2012
Nolan Watson	100,000 ⁽⁵⁾	11%	12.60	12.60	February 21, 2012
Randy Smallwood	200,000 ⁽⁴⁾	21%	12.60	12.60	February 21, 2012
Michael Johnson	150,000 ⁽⁶⁾	16%	15.83	15.83	November 5, 2012

(1) The class of securities underlying all stock options is Common Shares.

(2) Based on the total number of options granted pursuant to the Share Option Plan during the financial year ended December 31, 2007 of 945,000.

(3) The exercise price of options is determined based on the closing price of the Common Shares on the Toronto Stock Exchange (the "TSX") on the last trading day prior to the date of grant in accordance with the terms of the Share Option Plan.

(4) These options vested as to 66,667 on February 21, 2008 and will vest as to 66,667 on February 21, 2009 and as to 66,666 on February 21, 2010.

(5) These options vested as to 33,334 on February 21, 2008 and will vest as to 33,334 on February 21, 2009 and as to 33,333 on February 21, 2010.

(6) These options vested as to 50,000 on November 5, 2007 and will vest as to 50,000 on November 5, 2008 and as to 50,000 on November 5, 2009.

The following table provides details regarding stock options exercised by the Named Executive Officers during the financial year ended December 31, 2007 and year-end option values.

Aggregated Option Exercises During the Financial Year Ended December 31, 2007 and Year-End Option Values

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (C\$)	Unexercised Options at December 31, 2007		Value of Unexercised in-the-money Options at December 31, 2007 ⁽¹⁾	
			Exercisable (#)	Unexercisable (#)	Exercisable (C\$)	Unexercisable (C\$)
Peter D. Barnes	50,000	660,500	683,334	366,666	6,192,503	1,564,997
Nolan Watson	43,300	348,207	21,700	100,000	233,709	420,000
Randy Smallwood	Nil	N/A	300,000	200,000	3,787,000	840,000

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized (C\$)	Unexercised Options at December 31, 2007		Value of Unexercised in-the-money Options at December 31, 2007 ⁽¹⁾	
			Exercisable (#)	Unexercisable (#)	Exercisable (C\$)	Unexercisable (C\$)
Michael Johnson	Nil	N/A	50,000	100,000	48,500	97,000

(1) Calculated using the closing price of the Common Shares on the TSX on December 31, 2007 of C\$16.80 less the exercise price of in-the-money stock options. These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

Total Compensation

During the financial year ended December 31 2007, the Named Executive Officers earned a total of \$2,154,382 in salaries and bonuses. In addition, the Named Executive Officers were granted an aggregate of 650,000 stock options in 2007, with a Black Scholes value of \$2,807,480. The Company reported \$91,862,000 in net income in 2007. As a result, the cost of the total compensation paid to the Named Executive Officers as a percentage of the total profits or net income of the Company for 2007 was 2.3% using salaries and bonuses and 5.4% using salaries, bonuses and the Black Scholes value attributed to the options.

Employment Agreements

The Company has entered into employment agreements with each of its Named Executive Officers.

Peter D. Barnes

Mr. Barnes' employment agreement provides for a severance payment of three years' salary, plus the greater of three times his annual bonus at target or three times the bonus received by him in the previous year, plus accrued but unused vacation time and benefits for the earlier of three years or until Mr. Barnes receives comparable benefits from another source, to be paid if he is (a) dismissed without cause or (b) there is a change of control of the Company (a "Change of Control" as defined below) and either (i) Mr. Barnes elects in writing to terminate his employment within 120 days from the date of such Change of Control, or (ii) within six months of such Change of Control Mr. Barnes elects to terminate his employment as a result of certain events occurring, including a material decrease in any of Mr. Barnes' duties, powers, rights, discretion, salary or benefits or a material change in location of Mr. Barnes' principal place of employment compared with his principal place of employment prior to the Change of Control.

Messrs. Watson, Smallwood and Johnson

The employment agreement for each of Messrs. Watson, Smallwood and Johnson provides for a severance payment of two years' salary, plus the greater of two times his annual bonus at target or two times the bonus received by him in the previous year, plus accrued but unused vacation time and benefits for the earlier of two years or until he receives comparable benefits from another source, to be paid if he is (a) dismissed without cause or (b) there is a Change of Control and within six months of such Change of Control (i) the Company gives notice of its intention to terminate Messrs. Watson, Smallwood or Johnson, as the case may be, for any reason other than just cause, or (ii) Messrs. Watson, Smallwood or Johnson, as the case may be, elects to terminate his employment as a result of certain events occurring to him, including a material decrease in his duties, powers, rights, discretion, salary or benefits, a diminution of title, a change in the person to whom he reports, a material change in his hours, a material increase in the amount of travel required or a change in location of his principal place of employment to a location greater than 100 kilometres from his principal place of employment prior to the Change of Control.

“Change of Control”

A “Change of Control” is defined in such employment agreements as (a) less than 50% of the Board being comprised of (i) directors of the Company at the time the respective agreements are entered into or (ii) any director who subsequently becomes a director with the agreement of at least a majority of the members of the Board at the time the agreement was entered into; (b) the acquisition by any person or persons acting jointly and in concert of 40% or more of the issued and outstanding Common Shares; or (c) the sale by the Company of property or assets aggregating more than 50% of its consolidated assets or which generate more than 50% of its consolidated operating income or cash flow during the most recently completed financial year or during the current financial year.

Other than described above, the Company and its subsidiaries have no compensatory plans or arrangements with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of such officers’ employment with the Company and its subsidiaries, from a change of control of the Company and its subsidiaries or a change in the Named Executive Officers’ responsibilities following a change of control.

Services Agreement

Pursuant to an interim services agreement, as amended (the “Services Agreement”) between the Company and Goldcorp (Park Place, Suite 3400, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8), the Company has agreed to reimburse Goldcorp for services provided by Goldcorp to the Company. These services included a portion of Goldcorp’s office facilities for the first nine months of 2007 and continue to include certain administrative services provided by Goldcorp personnel. This services fee is calculated monthly based on actual time and other expenses incurred by Goldcorp on the Company’s behalf. The Services Agreement is in effect until September 30, 2008 and may be terminated at any time by the Company upon 30 days notice. During the financial year ended December 31, 2007, the Company paid Goldcorp an aggregate of \$193,300 for reimbursement of expenses paid on the Company’s behalf under the Services Agreement.

The following individuals were informed persons of Goldcorp during the financial year ended December 31, 2007: John Allan (British Columbia), Gerry Atkinson (British Columbia), John P. Bell (British Columbia), Lawrence I. Bell (British Columbia), Beverley A. Briscoe (British Columbia), Robert Bryson (British Columbia), George Burns (Ontario), Julio Carvalho (Brazil), David Deisley (British Columbia), Peter J. Dey (Ontario), Lindsay A. Hall (British Columbia), Rohan Hazelton (British Columbia), Douglas M. Holtby (British Columbia), Charles A. Jeannes (British Columbia), Wendy Louie (British Columbia), Eduardo Luna (Mexico), C. Kevin McArthur (Nevada, United States), Ronald McLean (British Columbia), Tim Miller (Guatemala), Barry Olson (Mexico), Mark Olson (British Columbia), Steve P. Reid (British Columbia), P. Randy Reifel (British Columbia), Charlie Ronkos (Reno, Nevada), A. Dan Rovig (Nevada, United States), Paula Rogers (British Columbia), Colette Rustad (British Columbia), Mark A. Ruus (British Columbia), Cheryl A. Sedestrom (Reno, Nevada), Ian W. Telfer (British Columbia), Anna M. Tudela (British Columbia), Jeff Wilhoit (British Columbia) and Kenneth F. Williamson (Ontario).

Compensation of Directors

Standard Compensation Arrangements

The Board meets annually to review the adequacy and form of directors’ compensation. For the financial year ended December 31, 2007, each non-executive director of the Company received (i) an annual retainer fee of C\$40,000, paid C\$10,000 quarterly, and (ii) meeting fees of C\$1,000 for each Board or committee of the Board meeting attended in person or by teleconference. The Lead Director of the Board (currently, Wade D. Nesmith) and the Chairman of the Audit Committee (currently, John A. Brough) each receives an additional C\$15,000 per year. The Chairman of the Compensation Committee (currently, Peter Gillin) and the Chairman of the Corporate Governance and Nominating Committee (currently, Wade Nesmith) each receives an additional C\$7,500 per year. In addition, in connection with the Peñasquito transaction between the Company and Goldcorp, the Company formed an independent special committee of the Board. Each Special Committee member (John A. Brough and Wade D. Nesmith) received a one time fee of C\$15,000 and the Chair of the Special Committee (R. Peter Gillin) received a one time fee of C\$22,500.

In the event that any director of the Company only serves as such for part of a year, they receive such compensation pro rata.

During the financial year ended December 31, 2007, an aggregate of C\$405,833 was paid in cash and C\$268,009 was paid in Restricted Share Rights, an aggregate of 20,000 Restricted Share Rights having been granted to the five independent directors (Messrs. Bell, Brough, Gillin, Holtby, and Nesmith) and 1,333 Restricted Share Rights having been granted to the Chairman of the Board (Mr. Luna).

The following table provides details regarding compensation paid to the Company's directors during the financial year ended December 31, 2007.

Name	Board Annual Retainer C(\$)	Audit Committee Chair Retainer C(\$)	Compensation Committee Chair Retainer C(\$)	Corporate Governance and Nominating Committee Chair Retainer C(\$)	Lead Director Retainer C(\$)	Special Committee Attendance Fee C(\$)	Aggregate Board Attendance Fee C(\$)	Aggregate Committee Attendance Fee C(\$)	Total Fees Paid in Cash C(\$)	Restricted Share Rights C(\$)	Total Fees C(\$)
Peter D. Barnes	-	-	-	-	-	-	- (based on 13 Board meetings attended)	-	-	-	-
Lawrence I. Bell	40,000	-	-	-	-	-	12,000 (based on 12 Board meetings attended)	6,000 (based on 6 committee meetings attended)	58,000	50,400 ⁽¹⁾	108,400
John A. Brough	40,000	15,000	-	-	-	15,000	13,000 (based on 13 Board meetings attended)	9,000 (based on 9 committee meetings attended)	92,000	50,400 ⁽¹⁾	142,400
Douglas M. Holtby	40,000	-	-	-	-	-	12,000 (based on 12 Board meetings attended)	1,500 (based on 2 committee meetings attended)	53,500	50,400 ⁽¹⁾	103,900
R. Peter Gillin	40,000	-	7,500	-	-	22,500	13,000 (based on 13 Board meetings attended)	10,500 (based on 12 committee meetings attended)	93,500	50,400 ⁽¹⁾	143,900
Eduardo Luna	23,333	-	-	-	-	-	6,000 (based on 13 Board meetings attended, 7 of which the Company was not required to pay an attendance fee for)	0 (based on 0 committee meetings attended)	29,333	16,009 ⁽²⁾	45,342
Wade D. Nesmith	40,000	-	-	7,500	15,000	15,000	13,000 (based on 13 Board meetings attended)	4,000 (based on 6 committee meetings attended)	94,500	50,400 ⁽¹⁾	144,900

(1) Each of Messrs. Bell, Brough, Gillin, Holtby and Nesmith were granted 4,000 Restricted Share Rights on February 21, 2007 at a deemed price of C\$12.60 per share with restricted periods expiring as to 1,334 on February 21, 2008, as to 1,333 on February 21, 2009 and as to 1,333 on February 21, 2010.

(2) Mr. Luna was granted 1,333 Restricted Share Rights on September 1, 2007 at a deemed price of C\$12.01 per share with restricted periods expiring as to 445 on February 21, 2008, as to 444 on February 21, 2009 and as to 444 on February 21, 2010.

Other Arrangements

None of the directors of the Company were compensated in their capacity as a director by the Company during the financial year ended December 31, 2007 pursuant to any other arrangement or in lieu of any standard compensation arrangement.

Compensation for Services

None of the directors of the Company were compensated for services as consultants or experts during the financial year ended December 31, 2007.

Directors' and Officers' Liability Insurance

The Company has purchased, for the benefit of the Company, its subsidiary and their directors and officers, insurance against liability incurred by the directors or officers in their capacity as directors or officers of the Company or its subsidiary. The following are particulars of such insurance for the financial year ended December 31, 2007:

- (a) the total amount of insurance is \$30,000,000 and, subject to the deductible portion referred to below, up to the full face amount of the policy is payable, regardless of the number of directors and officers involved;
- (b) the total cost for directors and officers liability insurance during 2007 was \$368,500. The policy does not specify that a part of the premium is paid in respect of either directors as a group or officers as a group; and
- (c) the policy provides for deductibles as follows:
 - (i) with respect to the directors and officers there is no deductible applicable; and
 - (ii) with respect to reimbursement of the Company there is a deductible per claim of \$500,000 for securities claims and \$250,000 for all other claims.

Retirement Policy for Directors

The Company does not have a retirement policy for its directors.

Composition of the Compensation Committee

The Compensation Committee is composed of three independent directors of the Company. At December 31, 2007, the members of the Compensation Committee were R. Peter Gillin (Chairman), Douglas M. Holtby and Wade D. Nesmith.

Report on Executive Compensation

Overall Compensation Philosophy

The following principles guide the Company's overall compensation philosophy:

- (a) compensation is determined on an individual basis by the need to attract and retain talented, high achievers;
- (b) calculating total compensation is set with reference to the market for similar jobs in similar locations;
- (c) an appropriate portion of total compensation is variable and linked to achievements, both individual and corporate;
- (d) internal equity is maintained such that individuals in similar jobs and locations are treated fairly; and
- (e) the Company supports reasonable expenses in order that employees continuously maintain and enhance their skills.

Compensation Committee Mandate

The Compensation Committee is established by the Board to assist the Board in fulfilling its responsibilities relating to human resources and compensation issues and to establish a plan of continuity for executive officers. The Compensation Committee ensures that the Company has an executive compensation plan that is both motivational and competitive so that it will attract, hold and inspire performance of executive officers of a quality and nature that will enhance the sustainable profitability and growth of the Company.

The Compensation Committee reviews and recommends the compensation philosophy and guidelines for the Company which include reviewing the compensation philosophy and guidelines for executive officers, for recommendation to the Board for its consideration and approval.

The Compensation Committee reviews on an annual basis the cash compensation, performance and overall compensation package for each executive officer. It then submits to the Board recommendations with respect to the basic salary, bonus and participation in share compensation arrangements for each executive officer. In February 2008, the Compensation Committee received a presentation from Mercer Human Resource Consulting ("Mercer") regarding the current executive compensation environment, practices in today's market and investor expectations. After reviewing the matters discussed in Mercer's presentation, discussing various factors with both management and peers in the industry, and receiving recommendations from the Chief Executive Officer for 2007 bonuses and 2008 salaries for executive officers, the Compensation Committee made its recommendations to the Board for approval.

The Compensation Committee's mandate with Mercer was established in November 2006. The Compensation Committee will agree annually, and on an as-needed basis, with input from management and Mercer, on the specific work to be undertaken by the consultant for the Compensation Committee and the fees associated with such work. All services provided by Mercer to the Company, beyond Mercer's role as advisor to the Compensation Committee, will require written pre-approval by the Chairman of the Compensation Committee outlining the scope of work and related fees. The Compensation Committee will not approve any such work that, in its view, could compromise Mercer's independence as advisor to the Compensation Committee. The Compensation Committee will disclose annually in its management information circular the work done by and the fees paid to Mercer for all work done for the Compensation Committee and any other work the Compensation Committee has approved.

During the financial year ended December 31, 2007, Mercer's fees as the Compensation Committee's advisor totaled approximately C\$7,741.

Base Salary

In determining the base salary of an executive officer, the Compensation Committee's practice in recent years has been to consider the recommendations made by the Chief Executive Officer and then retain Mercer to review and summarize the Chief Executive Officer's recommendations as well as the previous year's remuneration paid to executives with similar titles at a comparator group of companies in the marketplace, based on sector and market capitalization. To date, the Compensation Committee has recommended to the Board that the executive officers receive base salaries that are typically on the lower end of the comparator group and bonuses and equity compensation that are typically on the higher end of the comparator group. In determining the base salary to be paid to a particular executive officer, the Compensation Committee also considers the particular responsibilities related to the position, the experience level of the executive officer, and his or her past performance at the Company.

Bonus Payments

Executive officers are eligible for annual cash bonuses, after taking into account and giving varying degrees of weight, depending on the relevance of these factors to the particular executive officer, to the following indicators of Company and individual performance:

- (a) relative stock performance;
- (b) value of transactions completed;
- (c) relative change in annual silver sales;
- (d) relative change in cash flow per share;
- (e) performance against budget;
- (f) expense control;
- (g) performance factors; and
- (h) other exceptional or unexpected factors.

In taking into account the financial performance aspect, it is recognized that executive officers cannot control certain factors, such as interest rates and the international market for commodities such as silver. When applying the financial performance criteria, the Compensation Committee considers factors over which the executive officers can exercise control, such as meeting budget targets established by the Board at the beginning of each year, controlling costs, taking successful advantage of business opportunities and enhancing the competitive and business prospects of the Company. In determining payout amounts, significant weight is given to market comparable information provided to the Compensation Committee by Mercer.

With respect to the financial year ended December 31, 2007, bonuses were awarded to the following executive officers of the Company:

Name of Officer	Title of Officer	Bonus Amounts (C\$)
Peter D. Barnes	President and Chief Executive Officer	500,000
Nolan Watson	Chief Financial Officer	250,000
Randy Smallwood	Executive Vice President, Corporate Development	250,000
Michael Johnson	Vice President, Legal	40,000
		1,040,000

Long-Term Incentives

It is the compensation philosophy of the Company to provide a market-based blend of base salaries, bonuses and an equity incentive component in the form of options. Base salaries have been at the relatively low end of the scale compared to industry peers with a greater emphasis placed on bonuses and options. The Company believes that the bonus and options component serves to further align the interests of management with the interests of the Company's shareholders.

During the financial year ended December 31, 2007, the Board, on the recommendation of the Compensation Committee after considering market trends and the number of stock options currently held by each executive officer, granted stock options to executive officers of the Company as follows:

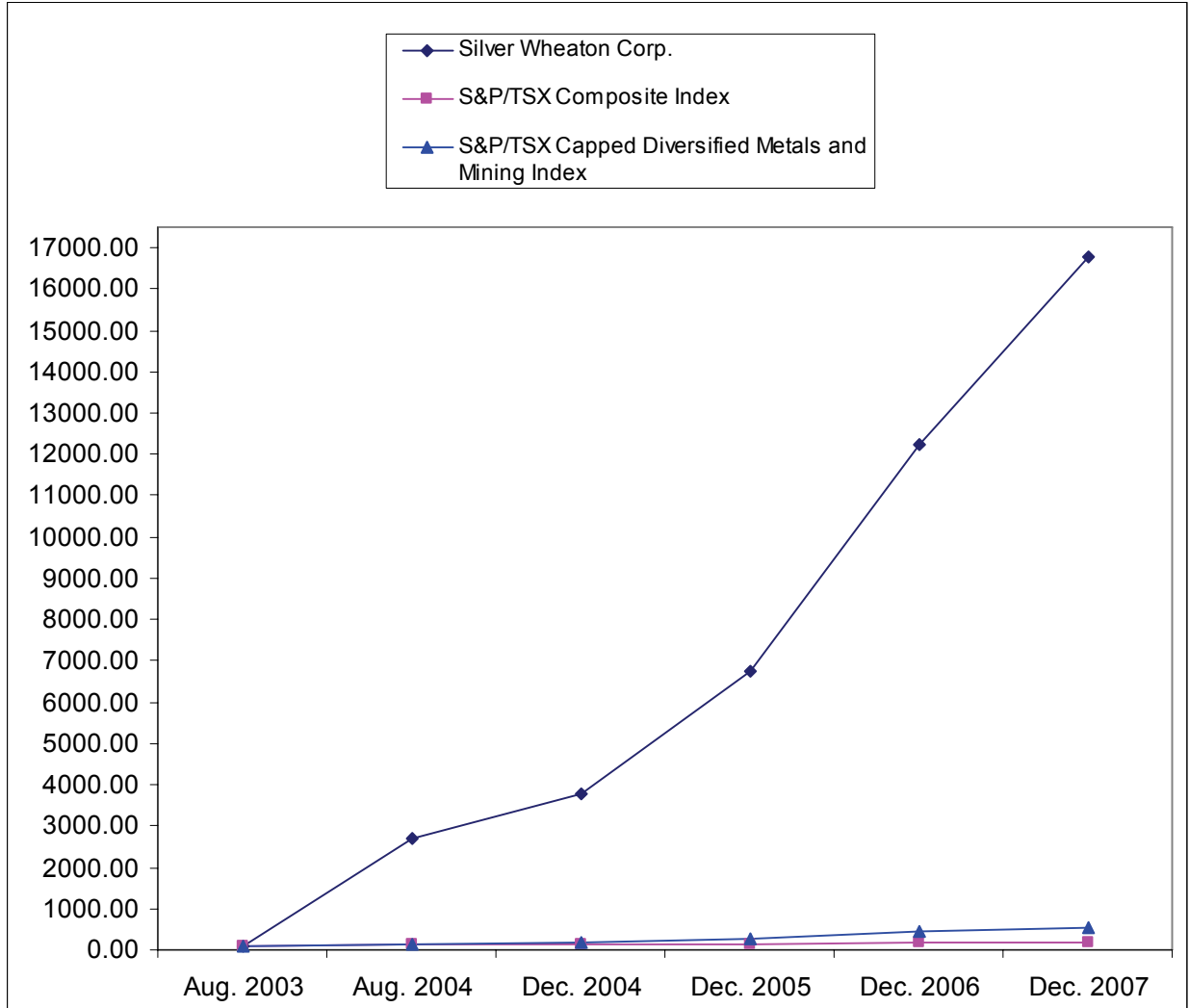
Name of Officer	Title of Officer	Number of Options
Peter D. Barnes	President and Chief Executive Officer	200,000 ⁽¹⁾
Nolan Watson	Chief Financial Officer	100,000 ⁽¹⁾
Randy Smallwood	Executive Vice President, Corporate Development	200,000 ⁽¹⁾
Michael Johnson	Vice President, Legal	150,000 ⁽²⁾
		650,000

(1) These stock options vested as to one-third on February 21, 2008 and will vest as to one-third on February 21, 2009 and as to one-third on February 21, 2010.

(2) These stock options vested as to one-third on November 5, 2007 and will vest as to one-third on November 5, 2008 and as to one-third on November 5, 2009.

Performance Graph

The following graph compares the yearly percentage change in the cumulative total shareholder return for C\$100 invested in Common Shares on August 31, 2003 against the cumulative total shareholder return of the S&P/TSX Composite Index and the S&P/TSX Capped Diversified Metals and Mining Index for the five most recently completed financial periods of the Company, assuming the reinvestment of all dividends.



(in C\$)	<u>Aug/03</u>	<u>Aug/04</u>	<u>Dec/04</u>	<u>Dec/05</u>	<u>Dec/06</u>	<u>Dec/07</u>
Silver Wheaton Corp.	100.00	2,700.00	3,800.00	6,750.00	12,220.00	16,800.00
S&P/TSX Composite Index	100.00	113.00	125.57	155.86	182.77	200.74
S&P/TSX Capped Diversified Metals and Mining Index	100.00	146.05	175.86	258.88	439.54	527.56

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides details of compensation plans under which equity securities of the Company are authorized for issuance as of the financial year ended December 31, 2007.

Equity Compensation Plan Information

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted-average price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans ⁽²⁾
Equity compensation plans approved by securityholders	3,151,095	C\$8.12	4,694,606
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	3,151,095	C\$8.12	4,694,606

(1) Represents the number of Common Shares reserved for issuance upon exercise of outstanding options and Restricted Share Rights.

(2) Based on the maximum number of Common Shares reserved for issuance upon exercise of options under the Share Option Plan of 11,460,000 and upon exercise of Restricted Share Rights under the Restricted Share Plan (as defined herein) of 2,000,000.

Share Option Plan

The Share Option Plan is designed to advance the interests of the Company by encouraging eligible participants, being employees, officers, directors and consultants, to have equity participation in the Company through the acquisition of Common Shares. The Share Option Plan was approved by the Company's shareholders at the Company's annual and special meeting of shareholders held on December 8, 2004 and was since amended by shareholders of the Company on April 26, 2007. A copy of the Share Option Plan, as amended, is available under the Company's profile on SEDAR at www.sedar.com.

The Company had 223,466,617 issued and outstanding Common Shares on March 1, 2008 and the aggregate maximum number of Common Shares that may be reserved for issuance under the Share Option Plan is 11,460,000, representing approximately 5% of the Company's issued and outstanding Common Shares. As at March 1, 2008, options to purchase an aggregate of 3,857,701 Common Shares, representing approximately 1.7% of the issued and outstanding Common Shares, are currently outstanding under the Share Option Plan and 5,727,299 Common Shares have been issued upon exercise of options granted under the Share Option Plan. This leaves 1,875,000 Common Shares, representing approximately 0.8% of the issued and outstanding Common Shares, available for issuance under the Share Option Plan. Any options granted under the Share Option Plan and which have been cancelled or terminated in accordance with the terms of the Share Option Plan without having been exercised will again be available for re-granting under the Share Option Plan. However, any options granted under the Share Option Plan and exercised will not be available for re-granting under the Share Option Plan.

The maximum number of Common Shares issuable to insiders, at any time, pursuant to the Share Option Plan and any other security based compensation arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issuable to insiders, within any one year period, pursuant to the Share Option Plan and any other security based compensation arrangements of the Company, is 10% of the total number of Common Shares then outstanding. The aggregate maximum number of Common Shares reserved for issuance to any one person pursuant to the Share Option Plan is 5% of the total number of Common Shares then outstanding.

Options granted under the Share Option Plan have an exercise price of not less than the closing price of the Common Shares on the TSX on the trading day immediately preceding the date on which the option is granted and are exercisable for a period not to exceed ten years. The vesting of stock options is at the discretion of the Board, however, Options are always granted subject to vesting requirements and for a

period not to exceed five years, and at December 31, 2007, 1,639,999 of the outstanding options remained unvested. In the event of a change of control, all outstanding unvested options will become immediately exercisable notwithstanding any vesting provisions. Options granted under the Share Option Plan are not transferable or assignable and will cease to be exercisable: (i) within a period of 30 days following the termination of an optionee's employment or upon retirement, subject to the Board's discretion; and (ii) within a period of time following the death of an optionee in the discretion of the Board, not to exceed 12 months following the date of death.

The Board may from time to time amend or revise the terms of the Share Option Plan or discontinue it subject to the requisite optionholder, shareholder and regulatory approvals prescribed by the Share Option Plan and applicable laws and regulations.

Restricted Share Plan

The Company's restricted share plan (the "Restricted Share Plan") was approved by the Company's shareholders at the annual and special meeting of shareholders held on May 17, 2005. A copy of the Restricted Share Plan is available under the Company's profile on SEDAR at www.sedar.com.

The Restricted Share Plan provides that restricted share rights (the "Restricted Share Rights") may be granted by a committee (the "Committee") which administers the Restricted Share Plan to employees, officers, directors and consultants of the Company as a discretionary payment in consideration of past services to the Company. The current intention of the Company is to use the Restricted Share Plan for grants of Restricted Share Rights to the non-executive directors of the Company as part of their annual retainer. See "Compensation of Directors" above for details. The aggregate maximum number of Common Shares that may be reserved for issuance under the Restricted Share Plan is 2,000,000, representing approximately 0.9% of the issued and outstanding Common Shares. An aggregate of 69,394 Restricted Share Rights, representing approximately 0.03% of the issued and outstanding Common Shares, are currently outstanding under the Restricted Share Plan and 5,000 Common Shares have been issued upon expiry of restricted periods attached to outstanding Restricted Share Rights granted under the Restricted Share Plan. This leaves 1,925,606 Restricted Share Rights, representing approximately 0.86% of the issued and outstanding Common Shares, available for issuance under the Restricted Share Plan. The maximum number of Common Shares issuable to insiders, at any time, pursuant to the Restricted Share Plan and any other security based compensation arrangements of the Company is 10% of the total number of Common Shares then outstanding. The maximum number of Common Shares issuable to insiders, within any one year period, pursuant to the Restricted Share Plan and any other security based compensation arrangements of the Company is 10% of the total number of Common Shares then outstanding.

A Restricted Share Right is exercisable into one Common Share on the later of: (i) the end of a restricted period of time wherein a Restricted Share Right cannot be exercised as determined by the Committee ("Restricted Period"); and (ii) a date determined by an eligible participant that is after the Restricted Period and before a participant's retirement date or termination date (a "Deferred Payment Date").

Under the Restricted Share Plan, the Board may from time to time amend or revise the terms of the Restricted Share Plan or may discontinue the Restricted Share Plan at any time. Subject to receipt of requisite shareholder and regulatory approval, the Board may make amendments to the Restricted Share Plan to change the maximum number of Common Shares issuable under the Restricted Share Plan and to change the provisions relating to insider restrictions. All other amendments to the Restricted Share Plan may be made by the Board without obtaining shareholder approval, such amendments including an amendment to the restricted period of a Restricted Share Right or an amendment to the termination provisions of a Restricted Share Right.

Canadian participants seeking, for tax reasons, to set a Deferred Payment Date must give the Company at least 60 days notice prior to the expiration of the Restricted Period in order to effect such change. Participants electing to change a Deferred Payment Date must give the Company prior written notice not later than 60 days prior to the Deferred Payment Date.

In the event of a participant's retirement or termination during a Restricted Period, any Restricted Share Rights automatically terminate, unless otherwise determined by the Committee. In the event of the retirement or termination after the Restricted Period and prior to any Deferred Payment Date, any

Restricted Share Rights will be immediately exercised without any further action by the participant and the Company will issue Restricted Shares and any dividends declared but unpaid to the participant. In the event of death or disability, such Restricted Share Rights will be immediately exercised.

If a participant holds Restricted Share Rights that are subject to a Restricted Period, the Committee will have the discretion to pay a participant cash equal to any cash dividends declared on the Common Shares at the time such dividends are ordinarily paid to holders of the Common Shares. The Company will pay such cash dividends, if any, to those participants that hold Restricted Share Rights that are no longer subject to a Restricted Period and are exercisable at a Deferred Payment Date.

In the event of a change of control, all Restricted Share Rights will be immediately exercised notwithstanding the Restricted Period and any applicable Deferred Payment Date.

Corporate Governance Practices

In June 2005, National Policy 58-201 *Corporate Governance Guidelines* (the "Governance Guidelines") and National Instrument 58-101 *Disclosure of Corporate Governance Practices* (the "Governance Disclosure Rule") were adopted by the securities regulatory authorities in Canada. The Governance Guidelines deal with matters such as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance practices. The Governance Disclosure Rule requires that, if management of an issuer solicits proxies from its security holders for the purpose of electing directors, specified disclosure of its corporate governance practices must be included in its management information circular.

The Company and the Board recognize the importance of corporate governance to the effective management of the Company and to the protection of its employees and shareholders. The Company's approach to significant issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks which the Company faces. The directors are kept informed of the Company's operations at these meetings as well as through reports and discussions with management on matters within their particular areas of expertise.

The Company's corporate governance practices have been and continue to be in compliance with applicable Canadian and United States requirements. The Company continues to monitor developments in Canada and the United States with a view to further revising its governance policies and practices, as appropriate.

The New York Stock Exchange (the "NYSE") rules require the Company to disclose any significant ways in which its corporate governance practices differ from those followed by United States domestic issuers under the NYSE listing standards. The Company believes that there are no significant differences between its corporate governance practices and those required to be followed by United States domestic issuers under the NYSE listing standards.

The following is a description of the Company's corporate governance practices which has been prepared by the Corporate Governance and Nominating Committee of the Board and has been approved by the Board.

Board of Directors

Independence of the Board

A majority, five out of the seven members, of the Board are independent within the meaning of the Governance Guidelines. Each of Lawrence I. Bell, John A. Brough, R. Peter Gillin, Douglas M. Holtby and Wade D. Nesmith are independent. Eduardo Luna is not independent as he is a former executive officer of the Company. Peter D. Barnes is not independent as he is also an officer of the Company.

Chairman and Lead Director

The Board has appointed Eduardo Luna as its Chairman. The Chairman’s responsibilities include, without limitation, ensuring that the Board works together as a cohesive team with open communication; working together with the Corporate Governance and Nominating Committee to ensure that a process is in place by which the effectiveness of the Board, its committees and its individual directors can be evaluated on a regular basis. The Chairman also acts as the primary spokesperson for the Board, ensuring that management is aware of concerns of the Board, shareholders, other stakeholders and the public and, in addition, ensures that management strategies, plans and performance are appropriately represented to the Board. The Chairman also maintains communications with the Company’s Vice President, Legal and Corporate Secretary.

The Board has appointed Wade D. Nesmith as its Lead Director. The Lead Director’s primary role is to act as a liaison between management and the Board to ensure the relationships between management and the Board are conducted in a professional and constructive manner. This includes ensuring that the boundaries between the Board and management are clearly understood and respected by both management and directors.

Meetings of the Board and Committees of the Board

The Board meets a minimum of four times per year, including every quarter and following the annual meeting of the Company’s shareholders. Each committee of the Board meets at least once each year or more frequently as deemed necessary by the applicable committee. The frequency of the meetings and the nature of the meeting agendas are dependent upon the nature of the business and affairs which the Company faces from time to time. During the financial year ended December 31, 2007, the Board met 13 times, the Audit Committee met six times, the Compensation Committee met two times and the Corporate Governance and Nominating Committee met four times. The following table provides details regarding director attendance at Board and committee meetings held during the financial year ended December 31, 2007.

Director	Meetings Attended out of Meetings Held				
	Board ⁽³⁾	Audit Committee	Compensation Committee	Corporate Governance and Nominating Committee	Special Committee
Peter D. Barnes ⁽¹⁾	13 out of 13	n/a	n/a	n/a	n/a
Lawrence I. Bell	12 out of 13 ⁽²⁾	6 out of 6	n/a	n/a	n/a
John A. Brough	13 out of 13	6 out of 6	n/a	3 out of 4	3 out of 4
R. Peter Gillin	13 out of 13	6 out of 6	2 out of 2	4 out of 4	4 out of 4
Douglas M. Holtby	12 out of 13 ⁽²⁾	n/a	2 out of 2	n/a	n/a
Eduardo Luna ⁽¹⁾	13 out of 13	n/a	n/a	n/a	n/a
Wade D. Nesmith	13 out of 13	n/a	2 out of 2	4 out of 4	4 out of 4

(1) Messrs. Barnes and Luna are not members of any committee of the Board.
 (2) Messrs. Bell and Holtby were not permitted to attend the Board meeting which approved the Peñasquito transaction due to their directorship positions with Goldcorp.
 (3) The Lead Director will usually bring any director unable to attend a meeting up-to-date regarding the business transacted at a particular meeting.

Independent Directors’ Meetings

The independent directors hold meetings at which non-independent directors and members of management do not attend. During the financial year ended December 31, 2007, the independent directors held three meetings without Messrs. Luna or Barnes or other members of management in attendance.

Other Public Company Directorships/Committee Appointments

The following table provides details regarding directorships and committee appointments held by the Company's directors in other public companies. Other than as set forth below under "Interlocking Directorships", no director of the Company serves on the board of any other public company with any other director of the Company.

Director	Other Public Company Directorships	Other Public Company Committee Appointments
Peter D. Barnes	American Copper Corp. (since 2007)	None
	Avanti Mining Inc. (since 2007)	Audit Committee
Lawrence I. Bell	Goldcorp Inc. (since 2005)	Audit Committee Governance and Nominating Committee Sustainability, Environment, Health and Safety Committee
	Hardwoods Distribution Income Fund (since 2004)	Audit Committee Compensation, Nominating and Corporate Governance Committee
	International Forest Products Limited (since 1998)	Environmental, Health and Safety Committee Management Resources and Compensation Committee
John A. Brough	First National Financial Income Fund (since 2006)	Audit Committee
	Kinross Gold Corporation (since 1994)	Audit Committee Compensation and Nominating Committee
	Livingston International Income Fund (since 2006)	None
	Quadra Mining Ltd. (since 2007)	Audit Committee Governance Committee
R. Peter Gillin	Tahera Diamond Corporation (since 2003)	Environmental, Health and Safety Committee
Douglas M. Holtby	Goldcorp Inc. (since 2005)	Lead Director Governance and Nominating Committee
Eduardo Luna	Alamos Gold Inc. (since 2007)	Technology, Safety and Environmental Committee
	Farallon Resources Ltd. (since 2007)	None
	Genco Resources Ltd. (since 2003)	None
	Geologix Explorations Inc. (since 2007)	None
	Rochester Resources Ltd. (since 2007)	None

Director	Other Public Company Directorships	Other Public Company Committee Appointments
Wade D. Nesmith	Broadpoint Securities Group, Inc. (since 2007)	Audit Committee
	Geovic Mining Corp. (since 2006)	Audit Committee Compensation Committee Governance Committee
	Selwyn Resources Ltd. (since 2006)	Governance Committee
	Parran Capital Inc. (since 2006)	Audit Committee
	Polymer Group, Inc. (since 2007)	Audit Committee

Interlocking Directorships

The following table provides details regarding directors of the Company who served together as directors on the boards of other public companies.

Director	Interlocking Public Company Directorships	Other Public Company Committee Appointments
Lawrence I. Bell	Goldcorp Inc.	Audit Committee Governance and Nominating Committee Sustainability, Environment, Health and Safety Committee
Douglas M. Holtby	Goldcorp Inc.	Lead Director Governance and Nominating Committee

The Board has determined that the simultaneous service of some of its directors on other audit committees does not impair the ability of such directors to effectively serve on the Company's Audit Committee.

Director Investment Requirements

The Board has implemented a policy which requires each non-executive director of the Company to hold a number of Common Shares which is at least equal to three times the amount of the annual retainer payable to each non-executive director of the Company. This requirement must be maintained throughout their tenure as a director. In calculating such holdings, the director may include any Restricted Share Rights, but may not include any options held. As of the date hereof, all of the directors have attained these director investment requirements. See "Election of Directors" below for details regarding security holdings of the Company's directors.

Board Mandate

The duties and responsibilities of the Board are to supervise the management of the business and affairs of the Company; and to act with a view towards the best interests of the Company. In discharging its mandate, the Board is responsible for the oversight and review of the development of, among other things, the following matters:

- the strategic planning process of the Company;
- identifying the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- succession planning, including appointing, training and monitoring senior management;
- a communications policy for the Company to facilitate communications with investors and other interested parties; and

- the integrity of the Company's internal control and management information systems.

The Board also has the mandate to assess the effectiveness of the Board as a whole, its committees and the contribution of individual directors. The Board discharges its responsibilities directly and through its committees, currently consisting of the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee.

A copy of the terms of reference for the Board, setting out its mandate, responsibilities and the duties of its members is attached as Schedule "A" to this management information circular.

Position Descriptions

Written position descriptions have been developed by the Board for the Chairman of the Board, the Chairman of each of the committees of the Board, the Chief Executive Officer of the Company and the Company's other senior executives and management.

Orientation and Continuing Education

The Corporate Governance and Nominating Committee, in conjunction with the Chairman of the Board and the Chief Executive Officer of the Company, is responsible for ensuring that new directors are provided with an orientation and education program which will include written information about the duties and obligations of directors, the business and operations of the Company, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. To facilitate ongoing education of the Company's directors, the Corporate Governance and Nominating Committee will: (a) periodically canvass the directors to determine their training and education needs and interests; (b) arrange ongoing visitation by directors to the Company's facilities and operations; (c) arrange the funding for the attendance of directors at seminars or conferences of interest and relevance to their position as a director of the Company; and (d) encourage and facilitate presentations by outside experts to the Board or committees on matters of particular import or emerging significance.

The following table provides details regarding various continuing education events held for the Company's directors during the financial year ended December 31, 2007.

Date and Place	Description of Event	Attendees
Various	Institute of Corporate Directors – Corporate Governance Directors Education Program	John A. Brough

Code of Business Conduct and Ethics

The Board has adopted a Code of Business Conduct and Ethics (the "Code") for its directors, officers and employees. The Corporate Governance and Nominating Committee has the responsibility for monitoring compliance with the Code by ensuring all directors, officers and employees receive and become thoroughly familiar with the Code and acknowledge their support and understanding of the Code. Any non-compliance with the Code is to be reported to the Company's Chief Risk Officer or other appropriate person. In addition, the Board conducts regular audits to test compliance with the Code. A copy of the Code may be accessed under the Company's profile at www.sedar.com or on the Company's website at www.silverwheaton.com.

The Board takes steps to ensure that directors, officers and employees exercise independent judgment in considering transactions and agreements in respect of which a director, officer or employee of the Company has a material interest, which include ensuring that directors, officers and employees are thoroughly familiar with the Code and, in particular, the rules concerning reporting conflicts of interest and obtaining direction from the Company's Chief Risk Officer regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to directors, officers and employees to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

Whistleblower Policy

The Company has adopted a Whistleblower Policy which allows its directors, officers and employees who feel that a violation of the Code has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violation or concerns on a confidential and anonymous basis. Such reporting can be made by e-mail or telephone through The Network Inc., an independent reporting agency used by the Company for this purpose. Once received, complaints are forwarded to either the Chair of the Audit Committee or the Vice President, Legal, depending on the nature of the complaint. The Chair of the Audit Committee or Vice President, Legal, as applicable, then investigates each matter so reported and takes corrective and disciplinary action, if appropriate.

Nomination of Directors

The Corporate Governance and Nominating Committee, which is composed entirely of independent directors, is responsible for identifying and recruiting new candidates for nomination to the Board. The process by which the Board anticipates that it will identify new candidates is through recommendations of the Corporate Governance and Nominating Committee whose responsibility it is to develop, and annually update and recommend to the Board for approval, a long-term plan for Board composition that takes into consideration the following: (a) the independence of each director; (b) the competencies and skills the Board, as a whole, should possess; (c) the current strengths, skills and experience represented by each director, as well as each director's personality and other qualities as they affect Board dynamics; (d) retirement dates; and (e) the strategic direction of the Company.

The Corporate Governance and Nominating Committee's responsibilities include periodically reviewing the charters of the Board and the committees of the Board; assisting the Chairman of the Board in carrying out his responsibilities; considering and, if thought fit, approving requests from directors for the engagement of independent counsel in appropriate circumstances; preparing and recommending to the Board a set of corporate governance guidelines, a Code of Business Conduct and Ethics and annually a "Statement of Corporate Governance Practices" to be included in the Company's management information circular; annually reviewing the Board's relationship with management to ensure the Board is able to, and in fact does, function independently of management; assisting the Board by identifying individuals qualified to become Board members and members of Board committees; leading the Board in its annual review of the Board's performance; and assisting the Board in monitoring compliance by the Company with legal and regulatory requirements.

Compensation

The Compensation Committee, which is composed entirely of independent directors, among other things, may determine appropriate compensation for the Company's officers and employees. The process by which appropriate compensation is determined is through periodic and annual reports from the Compensation Committee on the Company's overall compensation and benefits philosophies.

The Compensation Committee's responsibilities include reviewing and making recommendations to the directors regarding any equity or other compensation plan and regarding the total compensation package of the Chief Executive Officer, considering and approving the recommendations of the Chief Executive Officer regarding the total compensation packages for the other officers of the Company, and preparing and recommending to the Board annually a "Report on Executive Compensation" to be included in the Company's management information circular.

Committees of the Board

The Board has the following three standing committees:

- the Audit Committee;
- the Compensation Committee; and
- the Corporate Governance and Nominating Committee.

All of the committees are independent of management and report directly to the Board. From time to time, when appropriate, *ad hoc* committees of the Board may be appointed by the Board. The current membership of each standing committee of the Board is as follows:

Audit Committee – John A. Brough (Chair), Lawrence I. Bell and R. Peter Gillin

Compensation Committee – R. Peter Gillin (Chair), Douglas M. Holtby and Wade D. Nesmith

Corporate Governance and Nominating Committee – Wade D. Nesmith (Chair), John A. Brough and R. Peter Gillin

Audit Committee

The purposes of the Audit Committee are to assist the Board's oversight of:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements;
- the qualifications and independence of the Company's independent auditors; and
- the performance of the independent auditors and the Company's internal audit function.

Further information regarding the Audit Committee will be contained in the Company's annual information form (the "AIF") dated March 28, 2008 under the heading "Audit Committee" and a copy of the Audit Committee charter is attached to the AIF as Schedule "A". The AIF is available under the Company's profile at www.sedar.com.

Compensation Committee

The purposes of the Compensation Committee are to make recommendations to the Board relating to the compensation of:

- the Company's Chief Executive Officer; and
- members of senior management of the Company.

Corporate Governance and Nominating Committee

The purposes of the Corporate Governance and Nominating Committee are to:

- identify and recommend individuals to the Board for nomination as members of the Board and its committees (other than the Corporate Governance and Nominating Committee);
- make recommendations to the Board relating to the compensation of the Board members; and
- develop and recommend to the Board a set of corporate governance principles applicable to the Company.

Board Assessments

The Board is committed to regular assessments of the effectiveness of the Board, the Chairman, the Lead Director, the committees of the Board and the individual directors. The Corporate Governance and Nominating Committee annually reviews and makes recommendations to the Board regarding evaluations of the Board, the Chairman, the Lead Director, the committees of the Board and the individual directors. The process for such evaluations may include the following:

- (a) a detailed written questionnaire;
- (b) individual discussions between each director and an independent consultant and/or the Chairman of the Corporate Governance and Nominating Committee;
- (c) with regard to individual director assessments, peer and/or self evaluations; and
- (d) individual discussions with those members of senior management who regularly interact with the Board.

The Corporate Governance and Nominating Committee oversees the implementation of the evaluation process, reviews the evaluation results, develops recommendations based on the results and reports to the Board on the results and any recommendations. The Board then considers the results and recommendations to determine what, if any, action should be taken.

Indebtedness of Directors and Executive Officers

None of the Company's directors, executive officers or employees, or former directors, executive officers or employees, nor any associate of such individuals, is as at the date hereof, or has been, during the financial year ended December 31, 2007, indebted to the Company or its subsidiary in connection with a purchase of securities or otherwise. In addition, no indebtedness of these individuals to another entity has been the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding of the Company or its subsidiary.

Interest of Certain Persons in Matters to be Acted Upon

No (a) director or executive officer of the Company who has held such position at any time since January 1, 2007; (b) proposed nominee for election as a director of the Company; or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting.

Interest of Informed Persons in Material Transactions

Other than as described below and elsewhere in this management information circular, since the commencement of the Company's last completed financial year, no informed person of the Company, nominee for election as a director of the Company, or any associate or affiliate of an informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or its subsidiary.

The Company pays a monthly fee to Goldcorp under the Services Agreement. See "Services Agreement" for further details.

In May 2007, the Company entered into a 9 year lease agreement with Goldcorp for office space. The Company began making lease payments in December 2007 which totaled \$17,500.

In July 2007, the Company completed the purchase of 25% of the life of mine silver production from Goldcorp's Peñasquito gold project in Mexico for a cash payment of \$485 million.

In February 2008, Goldcorp completed the sale of its remaining 108 million Common Shares, for aggregate gross proceeds to Goldcorp of C\$1.566 billion. Goldcorp is no longer a shareholder of the Company.

The Chairman of the Company (Eduardo Luna) was also Executive Vice President of Goldcorp during the period January 1 to September 1, 2007 and two of the directors of the Company (Lawrence I. Bell and Douglas M. Holtby) are also directors of Goldcorp.

Election of Directors

The Company's Articles of Continuance provide that the Board consist of a minimum of three and a maximum of ten directors. The Board currently consists of seven directors. The Company's shareholders have previously passed a special resolution authorizing the directors of the Company to set the number of directors to be elected at a shareholders meeting. At the Meeting, the seven persons named hereunder will be proposed for election as directors of the Company (the "Nominees"). **Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the election of the Nominees.** Management does not contemplate that any of the Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any Nominee or Nominees unable to serve. Each director elected will hold office until the close of the first annual meeting of shareholders of the Company following his election or until his successor is duly elected or appointed unless his office is earlier vacated in accordance with the by-laws of the Company. Each of the Nominees was elected at the last annual meeting of the Company's shareholders held on April 26, 2007.

The following table sets forth the name, province/state and country of residence, age, principal occupation, date they first became a director of the Company and number of shares beneficially owned by each Nominee. The statement as to the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the Nominees is in each instance based upon information furnished by the Nominee concerned and is as at March 25, 2008.

Name, Province/State, Country of Residence and Age	Principal Occupation	Date First Became a Director of the Company	Common Shares Owned ⁽⁵⁾	
			Number	Value (in C\$) at December 31, 2007
Eduardo Luna Mexico City, Mexico	Chairman of the Board of the Company	December 8, 2004	10,000 ⁽⁶⁾	168,000
<u>Age:</u> 62				
Peter D. Barnes British Columbia, Canada	President and Chief Executive Officer of the Company	April 20, 2006	87,000 ⁽⁷⁾	1,461,600
<u>Age:</u> 51				
Lawrence I. Bell ⁽¹⁾ British Columbia, Canada	Chairman of Canada Line (Rapid Transit) Project	April 20, 2006	14,500 ⁽⁸⁾	243,600
<u>Age:</u> 70				
John A. Brough ⁽¹⁾⁽³⁾ Ontario, Canada	Corporate Director	October 15, 2004	4,000 ⁽⁹⁾	67,200
<u>Age:</u> 61				
R. Peter Gillin ⁽¹⁾⁽²⁾⁽³⁾ Ontario, Canada	Chairman and Chief Executive Officer of Tahera Diamond Corporation (diamond exploration and development company)	October 15, 2004	10,000 ⁽¹⁰⁾	168,000
<u>Age:</u> 59				

Name, Province/State, Country of Residence and Age	Principal Occupation	Date First Became a Director of the Company	Common Shares Owned ⁽⁵⁾	
			Number	Value (in C\$) at December 31, 2007
Douglas M. Holtby ⁽²⁾ British Columbia, Canada <u>Age:</u> 60	Vice Chairman of the Board and Lead Director of Goldcorp; President and Chief Executive Officer of Arbutus Road Investments Inc. (a private investment company)	April 20, 2006	62,500 ⁽¹¹⁾	1,050,000
Wade D. Nesmith ⁽²⁾⁽³⁾⁽⁴⁾ British Columbia, Canada <u>Age:</u> 56	Associate Counsel (Lang Michener LLP)	October 15, 2004	17,500 ⁽¹²⁾	294,000

- (1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Corporate Governance and Nominating Committee.
(4) Lead Director.
(5) Represents Common Shares beneficially owned by the respective directors, directly or indirectly, or over which control or direction is exercised.
(6) Mr. Luna owns warrants to purchase 80,000 Common Shares and 5,333 Restricted Share Rights.
(7) Mr. Barnes also owns warrants to purchase 43,500 Common Shares and options to purchase 1,250,000 Common Shares.
(8) Mr. Bell also owns warrants to purchase 30,000 Common Shares and 13,000 Restricted Share Rights.
(9) Mr. Brough also owns 12,687 Restricted Share Rights.
(10) These Common Shares are held indirectly through Mr. Gillin's private company, RPCG Investments Ltd. Mr. Gillin also owns warrants to purchase 5,000 Common Shares (held indirectly through RPCG Investments Ltd.), options to purchase 100,000 Common Shares and 12,687 Restricted Share Rights.
(11) 60,000 of these Common Shares are held indirectly through Mr. Holtby's private company, Arbutus Road Investments Inc. Mr. Holtby also owns warrants to purchase 30,000 Common Shares (held indirectly through Arbutus Road Investments Inc.), options to purchase 70,000 Common Shares and 13,000 Restricted Share Rights.
(12) 5,600 of these Common Shares are held indirectly through Mr. Nesmith's private company, Nesmith Capital, and 7,900 of these Common Shares and held in Mr. Nesmith's RRSP. Mr. Nesmith also owns options to purchase 128,500 Common Shares and 12,687 Restricted Share Rights.

Stock options are no longer granted to the Company's non-executive directors. Any stock options currently held by the directors as disclosed in the footnotes to the above table were either granted prior to 2005 when the practice of granting stock options to the Company's non-executive directors was discontinued.

The principal occupations, businesses or employments of each of the Nominees within the past five years are disclosed in the brief biographies set forth below.

Eduardo Luna – Chairman of the Board and Director. Mr. Luna has been Chairman of the Company since October 2004 (and was Interim Chief Executive Officer of the Company from October 2004 to April 2006), Executive Vice President of Wheaton River Minerals Ltd. ("Wheaton River") from June 2002 to April 2005, Executive Vice President of Goldcorp from March 2005 to September 2007 and President of Luismin, S.A. de C.V. from 1991 to 2007. He holds a degree in Advanced Management from Harvard University, an MBA from Instituto Tecnológico de Estudios Superiores de Monterrey and a Bachelor of Science in Mining Engineering from Universidad de Guanajuato. He held various executive positions with Minera Autlan for seven years and with Industrias Peñoles for five years. He is the former President of the Mexican Mining Chamber and the former President of the Silver Institute. He serves as Chairman of the Advisory Board of the Faculty of Mines at the University of Guanajuato and of the Mineral Resources Council in Mexico.

Peter D. Barnes – President, Chief Executive Officer and Director. Mr. Barnes is currently the President, Chief Executive Officer and a director of Silver Wheaton. He was Executive Vice President and Chief Financial Officer of Silver Wheaton from October 2004 to April 2006, Executive Vice President and Chief Financial Officer of Goldcorp from March 2005 to April 2006, and prior to such time he was Executive Vice President of Wheaton River from February 2003 and Chief Financial Officer of Wheaton River from July 2003. Mr. Barnes is a Chartered Accountant with over 20 years of senior management experience, and holds a Bachelor of Science in Economics from the University of Hull, England.

Lawrence I. Bell – Director. Mr. Lawrence Bell is currently the Chairman of Canada Line (Rapid Transit) Project and served as the non-executive Chairman of British Columbia Hydro and Power Authority until December 2007. From August 2001 to November 2003, Mr. Bell was Chairman and Chief Executive Officer of British Columbia Hydro and Power Authority and, from 1987 to 1991, he was Chairman and Chief Executive Officer of British Columbia Hydro and Power Authority. He is also a director of International Forest Products Limited and Goldcorp and is former Chairman of the University of British Columbia Board of Directors. Prior to these positions, Mr. Bell was Chairman and President of the Westar Group and Chief Executive Officer of Vancouver City Savings Credit Union. In the province's public sector, Mr. Bell has served as Deputy Minister of Finance and Secretary to the Treasury Board.

John A. Brough – Director. Mr. Brough had been President of both Torwest, Inc. and Wittington Properties Limited, real estate development companies, from 1998 to December 31, 2007, upon his retirement. Prior thereto, from 1996 to 1998, Mr. Brough was Executive Vice President and Chief Financial Officer of iSTAR Internet, Inc. Prior thereto, from 1974 to 1996, he held a number of positions with Markborough Properties, Inc., his final position being Senior Vice President and Chief Financial Officer which position he held from 1986 to 1996. Mr. Brough is an executive with over 30 years of experience in the real estate industry. He is currently a director and Chairman of the Audit Committee of Kinross Gold Corporation, a director of Livingston International Income Fund, a director and Chairman of the Audit Committee and Lead Director of First National Financial Income Fund and a director of Quadra Mining Ltd. He holds a Bachelor of Arts degree in Political Science and Economics from the University of Toronto and is a Chartered Accountant. He is also a graduate of the Institute of Corporate Directors – Director Education Program at the University of Toronto, Rotman School of Management.

R. Peter Gillin – Director. Mr. Gillin has been Chairman and Chief Executive Officer of Tahera Diamond Corporation, a diamond exploration, development and production company, since October 2003. Since 2004, Mr. Gillin has been a member of the Independent Review Committee of TD Asset Management Inc. and, since December 2005, a director of Trillium Health Care Products Inc. From November 2002 to May 2003, Mr. Gillin was President and Chief Executive Officer of Zemex Corporation, an industrial minerals corporation. From 1996 to 2002, Mr. Gillin was Vice Chairman and a director of N.M. Rothschild & Sons Canada Limited, an investment bank, and, from 2001 to 2002, was Acting Chief Executive Officer of N.M. Rothschild & Sons Canada Limited. He is a Chartered Financial Analyst.

Douglas M. Holtby – Director. Mr. Holtby is currently the Vice Chairman of the Board and Lead Director of Goldcorp and President and Chief Executive Officer of a private investment company, Arbutus Road Investments Inc. From June 1989 to June 1996, Mr. Holtby was President, Chief Executive Officer and a director of WIC Western International Communications Ltd., from 1989 to 1996, he was Chairman of Canadian Satellite Communications Inc., from 1998 to 1999, he was a Trustee of ROB.TV and CKVU, from 1974 to 1989, he was President of Allarcom Limited and, from 1982 to 1989, he was President and a shareholder of Allarcom Pay Television Limited. Mr. Holtby is a Chartered Accountant.

Wade D. Nesmith – Lead Director. Mr. Nesmith is currently associate counsel with Lang Michener LLP, a law firm where he previously practiced from 1993 to 1998 and where he was associate counsel during 2004. From 2000 to 2003, he was Vice President, Strategic Development of Westport Innovations Inc., a high performance, low emissions engines and fuel systems company, and, from 1999 to 2000, he was the principal of the law firm of Nesmith & Associates. Mr. Nesmith was the former Superintendent of Brokers for the Province of British Columbia. From December 2003 to March 2005, Mr. Nesmith was a director of Oxford Automotive Inc., a U.S. based, tier-one auto parts manufacturer. He also served as Chairman of the Executive Committee and the Compensation Committee of Oxford Automotive Inc.

Cease Trade Orders or Bankruptcies

No director of the Company is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the 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. No director of the Company is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Company) 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, other than (a) Lawrence I. Bell who was a director of a mining company when it filed a plan of reorganization under Chapter 11 on December 22, 1998; (b) Wade D. Nesmith who was a director of an automotive company which applied for Chapter 11 bankruptcy protection in December 2004 and emerged from Chapter 11 bankruptcy protection in March 2005; (c) Mr. Brough who is a director of a mining company that was subject to a management cease trade order against the directors and officers of the mining company from April 2005 to February 2006 in connection with such company's failure to file audited financial statements for the year ended December 31, 2004; and (d) R. Peter Gillin who is the Chairman and Chief Executive Officer of Tahera Diamond Corporation which announced on January 16, 2008 that it had obtained an order from the Ontario Superior Court of Justice granting Tahera Diamond Corporation protection pursuant to the provisions of the Companies' Creditors Arrangement Act.

Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Deloitte & Touche LLP, Independent Registered Chartered Accountants, as auditors of the Company until the close of the next annual meeting of shareholders and to authorize the directors to fix their remuneration. Deloitte & Touche LLP, Independent Registered Chartered Accountants, were first appointed as auditors of the Company on September 24, 2004.

Confirmation of By-Law No. 2 and Repeal of By-Law No. 1

On March 14, 2008, the Board enacted a new general by-law for the Company ("By-Law No. 2") and repealed the Company's former by-law no. 1 ("By-Law No. 1") to conform it with the recent amendments made to the *Business Corporations Act* (Ontario) designed to modernize it and bring it into line with other corporate statutes, including the *Canada Business Corporations Act*. Pursuant to the provisions of the *Business Corporations Act* (Ontario), By-Law No. 2 will cease to be effective unless it is confirmed by resolution passed by a simple majority of the votes cast by shareholders at the Meeting. In that case, By-Law No. 1 would come back into force. A blackline showing the differences between By-Law No. 2 and By-Law No. 1 is attached as Schedule "B" to this management information circular.

The changes in By-Law No. 2 include the following:

- (i) the director residency requirements have been reduced from a majority to 25% resident Canadians;
- (ii) a director with a material interest in a contract or transaction, in addition to not being able to vote on it, may not attend any party of a meeting of the directors during which the contract or transaction is discussed;
- (iii) the director and officer indemnification provisions have been expanded such that directors and officers may now be indemnified when involved in investigative and other proceedings because of their position and when asked to act in a similar capacity for other "entities", not just other

bodies corporate in which the corporation is interested and the Company may now advance defence costs to a director or officer involved in a proceeding as a result of that individual's position, which will have to be repaid by the director or officer if it is proven that the director or officer did not act honestly and in good faith with a view to the best interests of the Company or other entity;

- (iv) the maximum number of days before a shareholders' meeting that a record date can be set has been increased from 50 to 60 days; and
- (v) only shareholders registered on the record date will have a statutory right to vote at a shareholders' meeting; a person who acquires shares following the record date will no longer have the right to vote such shares at the meeting by making a demand to be included in the list of shareholders entitled to vote within 10 days prior to the meeting.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution, in the form set out below (the "By-Law No. 2 Resolution"), subject to such amendments, variations or additions as may be approved at the Meeting, confirming By-Law No. 2.

The Board and management recommend the adoption of the By-Law No. 2 Resolution. To be effective, the By-Law No. 2 Resolution must be approved by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Common Shares represented by such form of proxy, properly executed, for the By-Law No. 2 Resolution.**

The text of the By-Law No. 2 Resolution to be submitted to shareholders at the Meeting is set forth below:

"BE IT RESOLVED THAT:

1. By-Law No. 2, being a by-law relating generally to the transaction of business and affairs of the Company, enacted by the Board on March 14, 2008, is hereby confirmed without amendment; and
2. the repeal of By-Law No. 1 is hereby confirmed."

Additional Information

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Financial information is provided in the Company's audited consolidated financial statements and management's discussion and analysis for the financial year ended December 31, 2007 which accompany this management information circular and can also be found on SEDAR at www.sedar.com. Shareholders may also contact the Director, Investor Relations of the Company by phone at (604) 696-3044 or by e-mail at info@silverwheaton.com to request copies of these documents.

Contacting the Board of Directors

Shareholders, employees and other interested parties may communicate directly with the Board through the Lead Director of the Board by writing to:

Lead Director
Silver Wheaton Corp.
Park Place
Suite 3150 - 666 Burrard Street
Vancouver, BC V6C 2X8

Directors' Approval

The contents of this management information circular and the sending thereof to the shareholders of the Company have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

"Peter D. Barnes"

Peter D. Barnes
President and Chief Executive Officer

Vancouver, British Columbia
March 25, 2008

SCHEDULE “A”

SILVER WHEATON CORP. CHARTER OF THE BOARD OF DIRECTORS

I. INTRODUCTION

- A.** The Silver Wheaton Corp. (“Silver Wheaton” or the “Company”) board of directors (the “Board”) has a primary responsibility to foster the short and long-term success of the Company and is accountable to the shareholders.
- B.** The directors are stewards of the Company. The Board has the responsibility to oversee the conduct of the Company’s business and to supervise management, which is responsible for the day-to-day operation of the Company. In supervising the conduct of the business, the Board, through the Chief Executive Officer (the “CEO”) sets the standards of conduct for the Company.
- C.** These terms of reference are prepared to assist the Board and management in clarifying responsibilities and ensuring effective communication between the Board and management.

II. COMPOSITION AND BOARD ORGANIZATION

- A.** Nominees for directors are initially considered and recommended by the Board’s Corporate Governance and Nominating Committee in conjunction with the Board Chair and Lead Director, approved by the entire Board and elected annually by the shareholders.
- B.** A majority of directors comprising the Board must qualify as independent directors.
- C.** Certain of the Board’s responsibilities may be delegated to Board committees. The responsibilities of those committees will be as set forth in their terms of reference.

III. DUTIES AND RESPONSIBILITIES

A. Managing the Affairs of the Board

The Board operates by delegating certain of its authorities, including spending authorizations, to management and by reserving certain powers to itself. The legal obligations of the Board are described in Section IV. Subject to these legal obligations and to the Articles and By-laws of the Company, the Board retains the responsibility for managing its own affairs, including:

- (i) annually reviewing the skills and experience represented on the Board in light of the Company’s strategic direction and approving a Board composition plan recommended by the Corporate Governance and Nominating Committee;
- (ii) appointing, determining the composition of and setting the terms of reference for, Board committees;
- (iii) determining and implementing an appropriate process for assessing the effectiveness of the Board, the Board Chair and CEO, committees and directors in fulfilling their responsibilities;
- (iv) assessing the adequacy and form of director compensation;

- (v) assuming responsibility for the Company's governance practices;
- (vi) establishing new director orientation and ongoing director education processes;
- (vii) ensuring that the independent directors meet regularly without executive directors and management present;
- (viii) setting the terms of reference for the Board; and
- (ix) appointing the secretary to the Board.

B. Human Resources

The Board has the responsibility to:

- (i) provide advice and counsel to the CEO in the execution of the CEO's duties;
- (ii) appoint the CEO and plan CEO succession;
- (iii) set terms of reference for the CEO;
- (iv) annually approve corporate goals and objectives that the CEO is responsible for meeting;
- (v) monitor and, at least annually, review the CEO's performance against agreed upon annual objectives;
- (vi) to the extent feasible, satisfy itself as to the integrity of the CEO and other senior officers, and that the CEO and other senior officers create a culture of integrity throughout the Company;
- (vii) set the CEO's compensation;
- (viii) approve the CEO's acceptance of significant public service commitments or outside directorships;
- (ix) approve decisions relating to senior management, including:
 - (a) review senior management structure including such duties and responsibilities to be assigned to officers of the Company;
 - (b) on the recommendation of the CEO, appoint and discharge the officers of the Company who report to the CEO;
 - (c) review compensation plans for senior management including salary, incentive, benefit and pension plans; and
 - (d) employment contracts, termination and other special arrangements with executive officers, or other employee groups;
- (x) approve certain matters relating to all employees, including:
 - (a) the Company's broad compensation strategy and philosophy;
 - (b) new benefit programs or material changes to existing programs; and

- (xi) ensure succession planning programs are in place, including programs to train and develop management.

C. Strategy and Plans

The Board has the responsibility to:

- (i) adopt and periodically review a strategic planning process for the Company;
- (ii) participate with management, in the development of, and annually approve a strategic plan for the Company that takes into consideration, among other things, the risks and opportunities of the business;
- (iii) approve annual capital and operating budgets that support the Company's ability to meet its strategic objectives;
- (iv) direct management to develop, implement and maintain a reporting system that accurately measures the Company's performance against its business plans;
- (v) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Company; and
- (vi) approve material divestitures and acquisitions.

D. Financial and Corporate Issues

The Board has the responsibility to:

- (i) take reasonable steps to ensure the implementation and integrity of the Company's internal control and management information systems;
- (ii) review and approve release by management of any materials reporting on the Company's financial performance or providing guidance on future results to its shareholders and ensure the disclosure accurately and fairly reflects the state of affairs of the Company, and is in accordance with generally accepted accounting principles, including interim results press releases and interim financial statements, any guidance provided by the Company on future results, Company information circulars, annual information forms, annual reports, offering memorandums and prospectuses;
- (iii) declare dividends;
- (iv) approve financings, issue and repurchase of shares, issue of debt securities, listing of shares and other securities, issue of commercial paper, and related prospectuses and recommend changes in authorized share capital to shareholders for their approval;
- (v) approve the incurring of any material debt by the Company outside the ordinary course of business;
- (vi) approve the commencement or settlement of litigation that may have a material impact on the Company; and
- (vii) recommend the appointment of external auditors and approve auditors' fees.

E. Business and Risk Management

The Board has the responsibility to:

- (i) ensure management identifies the principal risks of the Company's business and implements appropriate systems to manage these risks;
- (ii) approve any plans to hedge sales; and
- (iii) evaluate and assess information provided by management and others about the effectiveness of risk management systems.

F. Policies and Procedures

The Board has the responsibility to:

- (i) approve and monitor, through management, compliance with all significant policies and procedures that govern the Company's operations;
- (ii) approve and act as the guardian of the Company's corporate values, including:
 - (a) approve and monitor compliance with a Code of Business Conduct and Ethics for the Company and ensure it complies with applicable legal or regulatory requirements, such as relevant securities commissions;
 - (b) require management to have procedures to monitor compliance with the Code of Business Conduct and Ethics and report to the Board through the Audit Committee; and
 - (c) disclosure of any waivers granted from a provision of the Code of Business Conduct and Ethics in a manner that meets or exceeds regulatory requirements; and
- (iii) direct management to ensure the Company operates at all times within applicable laws and regulations and to the highest ethical and moral standards.

G. Compliance Reporting and Corporate Communications

The Board has the responsibility to:

- (i) ensure the Company has in place effective communication processes with shareholders and other stakeholders and financial, regulatory and other recipients;
- (ii) approve and periodically review the Company's communications policy;
- (iii) ensure the Board has measures in place to receive feedback from shareholders;
- (iv) approve interaction with shareholders on all items requiring shareholder response or approval;
- (v) ensure the Company's financial performance is adequately reported to shareholders, other security holders and regulators on a timely and regular basis;
- (vi) ensure the financial results are reported fairly and in accordance with generally accepted accounting principles;

- (vii) ensure the CEO and CFO certify the Company's annual and interim financial statements, annual and interim MD&A and Annual Information Form, and that the content of the certification meets all legal and regulatory requirements;
- (viii) ensure timely reporting of any other developments that have a significant and material effect on the Company; and
- (ix) report annually to the shareholders on the Board's stewardship for the preceding year.

IV. GENERAL LEGAL OBLIGATIONS OF THE BOARD OF DIRECTORS

A. The Board is responsible for:

- (i) directing management to ensure legal requirements have been met, and documents and records have been properly prepared, approved and maintained; and
- (ii) recommending changes in the Articles and By-laws, matters requiring shareholder approval, and setting agendas for shareholder meetings.

B. Ontario law identifies the following as legal requirements for the Board:

- (i) act honestly and in good faith with a view to the best interests of the Company, including the duty:
 - (a) to disclose conflicts of interest;
 - (b) not to appropriate or divert corporate opportunities;
 - (c) to maintain confidential information of the Company and not use such information for personal benefit; and
 - (d) disclose information vital to the business of the Company in the possession of a director;
- (ii) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances; and
- (iii) act in accordance with the *Business Corporations Act* (Ontario) and any regulations, by-laws and unanimous shareholder agreement.

SCHEDULE "B"

BY-LAW NUMBER 42

A by-law relating generally to
the conduct of the business and affairs of

SILVER WHEATON CORP.

CONTENTS

Article One	Interpretation
Article Two	Business of the Corporation
Article Three	Directors
Articles Four	Committees of the Board
Article Five	Officers
Article Six	Protection of Directors, Officers and Others
Article Seven	Shares
Article Eight	Dividends and Rights
Article Nine	Meetings of Shareholders
Article Ten	Information Available to Shareholders
Article Eleven	Divisions and Departments
Article Twelve	Notices
Article Thirteen	Effective Date
Article Fourteen	Repeal

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of Silver Wheaton Corp. (hereinafter called the "Corporation") as follows:

ARTICLE ONE INTERPRETATION

Section 1.01 Definitions: In the by-laws of the Corporation, unless the context otherwise requires:

- (1) "Act" means the Business Corporations Act, R.S.O. 1990 c. B.16 and the regulations made pursuant thereto, as from time to time amended, and every statute that may be substituted therefor and, in the case of such substitution, any reference in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;
- (2) "appoint" includes "elect" and vice versa;
- (3) "board" means the board of directors of the Corporation;
- (4) "by-laws" means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (5) "meeting of shareholders" includes an annual meeting of shareholders and a special meeting of shareholders; "special meeting of shareholders" includes a meeting of any class or classes of shareholders and a special meeting of all shareholders entitled to vote at an annual meeting of shareholders;
- (6) "non-business day" means Saturday, Sunday and any other day that is a holiday as defined in the Interpretation Act (Ontario);
- (7) "recorded address" means in the case of a shareholder his address as recorded in the securities register; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there is more than one; and in the case of a director, officer, auditor or member of a committee of the board his latest address as recorded in the records of the Corporation;
- (8) "Securities Transfer Act" means the Securities Transfer Act (Ontario) 2006, c.8. as amended from time to time;
- (9) "signing officer" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Section 2.04 or by a resolution passed pursuant thereto;
- (910) all terms contained in the by-laws that are not otherwise defined in the by-laws and which are defined in the Act shall have the meanings given to such terms in the Act; and

(4011)the singular shall include the plural and the plural shall include the singular; the masculine shall include the feminine and neuter genders; and the word "person" shall include individuals, bodies corporate, corporations, companies, partnerships, syndicates, trusts, unincorporated organizations and any number or aggregate of persons.

Section 1.01 Conflict with Laws: In the event of any inconsistency between the by-laws and mandatory provisions of the Act or the Securities Transfer Act, the provisions of the Act or the Securities Transfer Act, as applicable, shall prevail.

ARTICLE TWO BUSINESS OF THE CORPORATION

Section 2.01 Registered or Head Office: The board may from time to time fix by resolution the location of the registered office of the Corporation at a place within Ontario where the articles provide that the registered office or head office of the Corporation is to be located.

Section 2.02 Corporate Seal: The Corporation may have a corporate seal which shall be adopted and may be changed by resolution of the board.

Section 2.03 Financial Year: The financial year of the Corporation shall be as determined by the board from time to time.

Section 2.04 Execution of Instruments: Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by any officer or director 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 or any legal entity 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 or by any officer or officers, person or persons, appointed as aforesaid by resolution of the board.

The term "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, movable or immovable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of shares, share warrants, stocks, bonds, debentures, notes or other securities and all paper writings.

The signature or signatures of the Chairman of the Board (if any), the Vice-Chairman of the Board, the President, any Executive Vice-President, or any Vice-President together with any one of the Secretary, the Treasurer, an Assistant Secretary, an Assistant Treasurer or any one of the foregoing officers together with any one director of the Corporation and/or any other officer or officers, person or persons, appointed as aforesaid by resolution of the board may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon any contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation on which the signature or signatures of any of the foregoing officers or directors or persons authorized as aforesaid shall be so reproduced pursuant to special authorization by resolution of the board, shall be deemed to have been manually signed by such officers or directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or bonds, debentures, notes or other securities of the Corporation.

Section 2.05 Banking Arrangements: The banking business of the Corporation, or any part thereof, including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the board may from time to time by resolution prescribe or authorize.

Section 2.06 Custody of Securities: All shares and securities owned by the Corporation shall be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board, with such other depositaries or in such other manner as may be determined from time to time by resolution of the board.

All share certificates, bonds, debentures, notes or other obligations or securities belonging to the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer to be completed and registration to be effected.

Section 2.07 Voting Shares and Securities in other Companies: All of the shares or other securities carrying voting rights of any other body corporate held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities (as the case may be) of such other body corporate and in such manner and by such person or persons as the board shall

from time to time by resolution determine. The proper signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the board.

ARTICLE THREE DIRECTORS

Section 3.01 Number of Directors and Quorum: The number of directors of the Corporation shall be the number of directors as specified in the articles or, where a minimum and maximum number of directors is provided for in the articles, the number of directors of the Corporation shall be the number of directors determined from time to time by special resolution or, if a special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board. Subject to ~~Section 3.08, the Act,~~ the quorum for the transaction of business at any meeting of the board shall be a majority of the number of directors then in office and or such greater number of directors as the board may from time to time by resolution determine.

Section 3.02 Qualification: No person shall be qualified for election as a director if ~~he is disqualified in accordance with the Act (which would currently include: a person who is less than 18 years of age; if he is of unsound mind and a person who has been so found under the Substitute Decisions Act, 1992 or under the Mental Health Act to be incapable of managing property or who has been found to be incapable by a court in Canada or elsewhere; if he a person who is not an individual; or if he a person who has the status of a bankrupt. Unless the articles otherwise provide, a-). A director need not be a shareholder. A majority of the directors shall be resident Canadians, provided that if the Corporation has only one or two directors, that director or one of the two directors, as the case may be, shall be a resident Canadian. The board shall be comprised of the number of Canadian residents as may be prescribed from time to time by the Act (which is currently a minimum of 25%).~~ If the Corporation is or becomes an offering corporation within the meaning of the Act, at least one-third of the directors of the Corporation shall not be officers or employees of the Corporation or any of its affiliates.

Section 3.03 Election and Term: The election of directors shall take place at the first meeting of shareholders and at each succeeding annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors as specified in the articles or, if a minimum and maximum number of directors is provided for in the articles, the number of directors determined by special resolution or, if the special resolution empowers the directors to determine the number, the number of directors determined by resolution of the board. The voting on the election shall be by show of hands unless a ballot is demanded by any shareholder. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

Section 3.04 Removal of Directors: Subject to the provisions of the Act, the shareholders may by ordinary resolution passed at a meeting specially called for such purpose remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by a quorum of the directors.

Section 3.05 Vacation of Office: A director ceases to hold office when he dies or, subject to the Act, resigns; he is removed from office by the shareholders in accordance with the Act; he becomes of unsound mind and is so found by a court in Canada or elsewhere or if he acquires the status of a bankrupt.

Section 3.06 Vacancies: Subject to the Act, a quorum of the board may fill a vacancy in the board, except a vacancy resulting from an increase in the number or maximum number of directors or from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders. In the absence of a quorum of the board, or if the vacancy has arisen from a failure of the shareholders to elect the number of directors required to be elected at any meeting of shareholders, the directors then in office shall forthwith call a special meeting of shareholders to fill the vacancy. If the directors then in office fail to call such meeting or if there are no directors then in office, any shareholder may call the meeting.

Section 3.07 Action by the Board: The board shall manage or supervise the management of the business and affairs of the Corporation. Subject to Sections 3.08 and 3.09, the powers of the board may be exercised at a meeting at which a quorum is present or by resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of the board. Where there is a vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

~~**Section 3.08 Canadian Majority:** The board shall not transact business at a meeting other than to fill a vacancy in the board, unless a majority of the directors present are resident Canadians, except where~~

- ~~— (a) — a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and~~
- ~~— (b) — a majority of resident Canadians would have been present had that director been present at the meeting.~~

~~**Section 3.09 Meeting by Telephone:** If all the directors of the Corporation present or participating in the meeting consent, a director may participate in a meeting of the board or of a committee of the board by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it~~

relates and may be given with respect to all meetings of the board and of committees of the board held while a director holds office.

Section 3.10-09 Place of Meetings: Meetings of the board may be held at any place within or outside Ontario (or by such communications facilities as are permitted by the Act). In any financial year of the Corporation a majority of the meetings of the board need not be held within Canada.

Section 3.11-10 Calling of Meetings: Subject to the Act, meetings of the board shall be held from time to time on such day and at such time and at such place as the board, the Chairman of the Board (if any), the President, a Vice-President who is a director or any two directors may determine and the Secretary or Assistant Secretary, when directed by the board, the Chairman of the Board (if any), the President, a Vice-President who is a director or any two directors shall convene a meeting of the board.

Section 3.12-11 Notice of Meeting: Notice of the date, time and place of each meeting of the board shall be given in the manner provided in Section 12.01 to each director not less than 48 hours (exclusive of any part of a non-business day) before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified. A director may in any manner waive notice of or otherwise consent to a meeting of the board.

Section 3.13-12 First Meeting of New Board: Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting immediately following the meeting of shareholders at which such board is elected.

Section 3.14-13 Adjourned Meeting: Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

Section 3.15-14 Regular Meetings: The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. ~~A copy of any resolution of the board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.~~ A copy of a schedule of regular meetings of the board setting forth the proposed dates, times and places of such regular meetings shall be sent to each director at the commencement of each calendar year, however, each director shall also be provided with a follow-up notice of meeting and agenda prior to each regularly scheduled meeting.

Section 3.16-15 Chairman: The chairman of any meeting of the board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: the Chairman of the Board, the President or a

Vice-President. If no such officer is present, the directors present shall choose one of their number to be chairman.

Section 3.17-16 Votes to Govern: At all meetings of the board every question shall be decided by a majority of the votes cast on the question. In case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

Section 3.18-17 Conflict of Interest: A director or officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose in writing to the Corporation or request to have entered in the minutes of the meetings of the directors the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the board or shareholders for approval even if such contract is one that in the ordinary course of the Corporation's business would not require approval by the board or shareholders, and a director interested in a contract or transaction so referred to the board shall not attend any part of a meeting of the board during which the contract or transaction is discussed and shall not vote on any resolution to approve the same except as permitted by the Act. If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of this section, the remaining directors shall be deemed to constitute a quorum for the purposes of voting on the resolution. Where all of the directors are required to disclose their interests pursuant to this section, the contract or transaction may be approved only by the shareholders.

Section 3.19-18 Remuneration and Expenses: The directors shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for traveling and other expenses properly incurred by them in attending meetings of the shareholders or of the board or any committee thereof or otherwise in the performance of their duties. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration therefor.

ARTICLE FOUR COMMITTEES OF THE BOARD

Section 4.01 Committee of Directors: The board may appoint a committee of directors, however designated, and delegate to such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of directors has no authority to exercise. ~~A majority of the members of such committee shall be resident Canadians.~~

Section 4.02 Transaction of Business: The powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on that

resolution at a meeting of the committee. Meetings of such committee may be held at any place within or outside Ontario.

Section 4.03 Audit Committee: The board may, and shall if the Corporation becomes an offering corporation within the meaning of the Act, elect annually from among its number an audit committee to be composed of not fewer than three directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The audit committee shall have the powers and duties provided in the Act.

Section 4.04 Advisory Committees: The board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

Section 4.05 Procedure: Unless otherwise determined by the board, each committee shall have power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

ARTICLE FIVE OFFICERS

Section 5.01 Appointment: The board may from time to time appoint a Chairman of the Board, a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to Section 5.02, an officer may but need not be a director and one person may hold more than one office. In case and whenever the same person holds the offices of Secretary and Treasurer, he may but need not be known as the Secretary-Treasurer. All officers shall sign such contracts, documents, or instruments in writing as require their respective signatures. In the case of the absence or inability to act of any officer or for any other reason that the board may deem sufficient, the board may delegate all or any of the powers of such officer to any other officer or to any director for the time being.

Section 5.02 Chairman of the Board: The Chairman of the Board, if appointed, shall be a director and shall, when present, preside at all meetings of the board. Each committee of the board shall appoint a Chairman which shall be a member of the relevant committee of the board and shall, when present, preside at all meetings of committees of the board. The Chairman of the Board shall be vested with and may exercise such powers and shall perform such other duties as may from time to time be assigned to him by the board. During the absence or disability of the Chairman of the Board, his duties shall be performed and his powers exercised by the President.

Section 5.03 President: The President shall, and unless and until the board designates any other officer of the Corporation to be the Chief Executive Officer of the

Corporation, be the Chief Executive Officer and, subject to the authority of the board, shall have general supervision of the business and affairs of the Corporation and such other powers and duties as the board may specify. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board if none be appointed or if the Chairman of the Board is absent or unable or refuses to act.

Section 5.04 Executive Vice-President or Vice-President: Each Executive Vice President or Vice-President shall have such powers and duties as the board or the President may specify. The Executive Vice President or Vice-President or, if more than one, the Executive Vice-President or Vice-President designated from time to time by the board or by the President, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that an Executive Vice-President or a Vice-President who is not a director shall not preside as chairman at any meeting of the board ~~and that a Vice-President who is not a director and shareholder shall not preside as chairman at any meeting of shareholders.~~

Section 5.05 Secretary or Assistant Secretary: The Secretary or Assistant Secretary shall give or cause to be given as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the board may specify.

Section 5.06 Treasurer or Assistant Treasurer: The Treasurer or Assistant Treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the board whenever required an account of all his transactions as Treasurer or Assistant Treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the board may specify. Unless and until the board designates any other officer of the Corporation to be the Chief Financial Officer of the Corporation, the Treasurer or Assistant Treasurer shall be the Chief Financial Officer of the Corporation.

Section 5.07 Powers and Duties of Other Officers: The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

Section 5.08 Variation of Powers and Duties: The board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

Section 5.09 Term of Office: The board, in its discretion, may remove any officer of the Corporation, with or without cause, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the board shall hold office until his successor is appointed or until the earlier of his resignation or death.

Section 5.10 Terms of Employment and Remuneration: The terms of employment and the remuneration of an officer appointed by the board shall be settled by it from time to time. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify him from receiving such remuneration as may be so determined.

Section 5.11 Conflict of Interest: An officer shall disclose his interest in any material contract or transaction or proposed material contract or transaction with the Corporation in accordance with Section 3.4817.

Section 5.12 Agents and Attorneys: The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the powers to subdelegate) as may be thought fit.

Section 5.13 Fidelity Bonds: The board may require such officers, employees and agents of the Corporation as the board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the board may from time to time determine but no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.

ARTICLE SIX PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

Section 6.01 Submission of Contracts or Transactions to Shareholders for Approval: The board in its discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

Section 6.02 For the Protection of Directors and Officers: In supplement of and not by way of limitation upon any rights conferred upon directors by the provisions of the Act, it is declared that no director shall be disqualified by his office from, or vacate his office by reason of, holding any office or place of profit under the Corporation or under

any body corporate in which the Corporation shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested or contracting with the Corporation either as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation in which he is in any way directly or indirectly interested either as vendor, purchaser or otherwise nor shall any director be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit; and, subject to the provisions of the Act, no contract or arrangement entered into by or on behalf of the Corporation in which any director shall be in any way directly or indirectly interested shall be avoided or voidable and no director shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of the fiduciary relationship existing or established thereby. Subject to the provisions of the Act and to Section 3.4817, no director shall be obliged to make any declaration of interest or refrain from voting in respect of a contract or proposed contract with the Corporation in which such director is in any way directly or indirectly interested.

Section 6.03 Limitation of Liability: Except as otherwise provided in the Act, no director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any persons, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto unless the same shall happen by or through his failure to exercise the powers and to discharge the duties of his office honestly, in good faith and in the best interests of the Corporation and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a company which is employed by or performs services for the Corporation, the fact of his being a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

Section 6.04 Indemnity: Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or ~~a person~~another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, ~~of a body corporate of which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives~~another entity, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by ~~him~~the individual in respect of any civil, criminal ~~or,~~ administrative action or, investigative or other proceeding ~~to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate~~in which the individual is involved because of that association with the Corporation or other entity, if

- (a) ~~he~~the individual acted honestly and in good faith with a view to the best ~~interest~~interests of the Corporation; ~~and or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request;~~
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, ~~he~~the individual had reasonable grounds for believing that ~~his~~the individual's conduct was lawful; and
- (c) a court or other competent authority has not judged that the individual has committed any fault or omitted to do anything that the individual ought to have done.

The Corporation shall also indemnify such person in such other circumstances as the Act permits or requires.

Section 6.05 Insurance: The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 6.04 against such liabilities and in such amounts as the board may from time to time determine and are permitted by the Act.

ARTICLE SEVEN SHARES

Section 7.01 Allotment: The board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act. Shares may be issued as uncertificated securities or be represented by share certificates in accordance with the provisions of the Act and the Securities Transfer Act.

Section 7.02 Commissions: The board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the

Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

Section 7.03 Registration of Transfers: All transfers of securities of the Corporation shall be made in accordance with the Act and the Securities Transfer Act. Subject to the provisions of the Act and the Securities Transfer Act, no transfer of shares represented by a security certificate (as defined in the Act) shall be registered in a securities register except upon presentation of the certificate representing such shares with an endorsement which complies with the Act and the Securities Transfer Act made thereon or delivered therewith duly executed by an appropriate person as provided by the Act and the Securities Transfer Act, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the board, upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in Section 7.05.

Section 7.04 Transfer Agents and Registrars: The board may from time to time appoint one or more agents to maintain, in respect of each class of securities of the Corporation issued by it in registered form, a securities register and one or more branch securities registers. Such a person may be designated as transfer agent and registrar according to his functions and one person may be designated both registrar and transfer agent. The board may at any time terminate such appointment.

Section 7.05 Lien for Indebtedness: The Corporation shall have a lien on any share registered in the name of a shareholder or his legal representatives for a debt of that shareholder to the Corporation, provided that if the shares of the Corporation are listed on a stock exchange ~~recognized by the Ontario Securities Commission~~ in or outside Canada, the Corporation shall not have such lien. The Corporation may enforce any lien that it has on shares registered in the name of a shareholder indebted to the Corporation by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law and, pending such enforcement, the Corporation may refuse to register a transfer of the whole or any part of such shares.

Section 7.06 Non-recognition of Trusts: Subject to the provisions of the Act and the Securities Transfer Act, the Corporation may treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

Section 7.07 Share Certificates and Written Evidence of Ownership: Every holder of one or more shares of the Corporation that are certificated securities under the Act shall be entitled, at his option, to a share certificate, or to a non-transferable written acknowledgement of his right to obtain a share certificate, stating the number and class or series of shares held by him as shown on the securities register. Share certificates

and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with Section 2.04 and need not be under the corporate seal; provided that, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate. Holders of uncertificated securities of the Corporation shall be entitled to receive a written notice or other documentation as provided by the Act.

Section 7.08 Replacement of Share Certificates: The board or any officer or agent designated by the board may in its or his discretion direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3.00, and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

Section 7.09 Joint Shareholders: If two or more persons are registered as joint holders of any share, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such shares.

Section 7.10 Deceased Shareholders: In the event of the death of a holder, or of one of the joint holders, of any share, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

ARTICLE EIGHT DIVIDENDS AND RIGHTS

Section 8.01 Dividends: Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interest in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

Section 8.02 Dividend Cheques: A dividend payable in cash shall be paid either electronically by direct deposit or by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and, if paid by cheque, mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders ~~the cheque~~any cheque issued shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

Section 8.03 Non-receipt of Cheques: In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the board may from time to time prescribe, whether generally or in any particular case.

Section 8.04 Record Date for Dividends and Rights: The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the board.

Section 8.05 Unclaimed Dividends: Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

ARTICLE NINE MEETINGS OF SHAREHOLDERS

Section 9.01 Annual Meetings: The annual meeting of shareholders shall be held at such time in each year as the board, the Chairman of the Board (if any) or the President may from time to time determine, in any event no later than the earlier of (i) six (6) months after the end of each of the Corporation's financial years, and (ii) fifteen (15) months after the Corporation's last annual meeting of shareholders, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting.

Section 9.02 Special Meetings: The board, the Chairman of the Board (if any) or the President shall have the power to call a special meeting of shareholders at any time.

~~**Section 9.03 Place of Meetings:** Meetings of shareholders shall be held at the registered office of the Corporation or elsewhere in the municipality in which the registered office is situate or, if the board shall so determine, at some other place in Canada or, if all the shareholders entitled to vote at the meeting so agree, at some place outside Canada.~~

Section 9.03 Place of Meetings: Subject to the Corporation's articles, a meeting of shareholders of the Corporation shall be held at such place in or outside of Ontario as the board may determine or, in the absence of such determination, at the place where the registered office of the Corporation is located.

Section 9.04 Notice of Meetings: Notice of the time and place of each meeting of shareholders shall be given in the manner provided in Section 12.01 not less than 21 days nor more than 50 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditor's report, election of directors and reappointment of the incumbent auditor shall state or be accompanied by a statement of the nature of such business in sufficient detail to permit the shareholder to form a reasoned judgment thereon and the text of any special resolution or by-law to be submitted to the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

Section 9.05 List of Shareholders Entitled to Notice: For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the meeting. If a record date for the meeting is fixed pursuant to Section 9.06, the list of shareholders listed entitled to receive notice of the meeting shall be ~~those registered at the close of business~~ prepared not later than ten (10) days after such record date. If no record date is fixed, the list of shareholders listed entitled to receive notice of the meeting shall be ~~those registered at~~ prepared as of the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, on the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the central securities register is maintained and at the meeting of shareholders for which the list was prepared.

Section 9.06 Record Date for Notice: The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than ~~50~~ 60 days and not less than 21 days (or pursuant to the time limitations as may be prescribed by the Act from time to

time), as a record date for the determination of the shareholders entitled to receive notice of the meeting, provided that notice of any such record date shall be given not less than seven days before such record date by newspaper advertisement in the manner provided in the Act and, if any shares of the Corporation are listed for trading on a stock exchange in Canada, by written notice to each such stock exchange. If no record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the day immediately preceding the day on which the notice is given or, if no notice is given, the day on which the meeting is held.

Section 9.07 Meetings without Notice: A meeting of shareholders may be held without notice at any time and place permitted by the Act

- (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy waive notice of or otherwise consent to such meeting being held, and
- (b) if the auditor and the directors are present or waive notice of or otherwise consent to such meeting being held, so long as such shareholders, auditor and directors present are not attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Canada, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

Section 9.08 Chairman, Secretary and Scrutineers: The Chairman of the Board or any other director or officer of the Corporation, as determined by the board, may act as chairman of any meeting of shareholders ~~shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: the President or a Vice-President who is a director and a shareholder.~~ If no such director or officer is present within 15 minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the Secretary or Assistant Secretary of the Corporation is absent, the chairman shall appoint some 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 a resolution or by the chairman with the consent of the meeting.

Section 9.09 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 or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

Section 9.10 Quorum: A quorum for the transaction of business at any meeting of shareholders shall be 2 persons present in person, each being a shareholder entitled to vote thereat or a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than 10% of the issued shares of the Corporation enjoying voting rights at such meeting.

Section 9.11 Right to Vote: ~~Subject to the provisions of the Act as to authorized representatives of any other body corporate or association, The persons entitled to vote at any meeting of shareholders for which the Corporation has prepared the list referred to in Section 9.05, every person who is named in such list shall be the persons entitled to vote the shares shown opposite his name except to the extent that such person has transferred any of his shares after the record date determined in accordance with Section 9.06 and the transferee, having produced properly endorsed certificates evidencing such shares or having otherwise established that he owns such shares, has demanded not later than 10 days before the meeting that his name be included in such list. In any such case the transferee shall be entitled to vote the transferred shares at the meeting. At any meeting of shareholders for which the Corporation has not prepared the list referred to in Section 9.05, every person shall be entitled to vote at the meeting who at the time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting~~Act.

Section 9.12 Proxies: Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney authorized in writing (or by electronic signature) and shall conform with the requirements of the Act.

Section 9.13 Time for Deposit of Proxies: The board may by resolution specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting or an adjournment thereof by not more than 48 hours exclusive of any part of a non-business day, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, only if it has been received by the Secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

Section 9.14 Joint Shareholders: If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.

Section 9.15 Votes to Govern: At any meeting of shareholders every question shall, unless otherwise required by the articles or by-laws or by law, be determined by a majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

Section 9.16 Show of Hands: Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima faciesufficient evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

Section 9.17 Ballots: On any question proposed for consideration at a meeting of shareholders, and whether or not a vote by show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

Section 9.18 Adjournment: The chairman at the meeting of shareholders may with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act, adjourn the meeting from time to time and from place to place. If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

Section 9.19 Resolution in Writing: A resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders unless a written statement with respect to the subject matter of the resolution is submitted by a director or the auditor in accordance with the Act.

ARTICLE TEN INFORMATION AVAILABLE TO SHAREHOLDERS

Section 10.01 Information Available to Shareholders: Except as provided by the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which in the opinion of the directors it would be inexpedient in the interests of the Corporation to communicate to the public.

Section 10.02 Directors' Determination: The directors may from time to time, subject to the rights conferred by the Act, determine whether and to what extent and at what time and place and under what conditions or regulations the documents, books and registers and accounting records of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right to inspect any document or book or register or accounting record of the Corporation except as conferred by statute or authorized by the board or by a resolution of the shareholders in general meeting.

ARTICLE ELEVEN DIVISIONS AND DEPARTMENTS

Section 11.01 Creation and Consolidation of Divisions: The board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more ~~divisions~~subsidiaries, partnerships or other legal entities upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the board may consider appropriate in each case. The board may also cause the business and operations of any such ~~division~~subsidiary, partnership or other legal entity to be further divided into sub-~~units~~subsidiaries, partnerships or other legal entities and the business and operations ~~of~~ any such ~~divisions or sub-units~~subsidiaries, partnerships or other legal entities to be consolidated upon such basis as the board may consider appropriate in each case.

Section 11.02 Name of Division: Any division or its sub-units may be designated by such name as the board may from time to time determine and may transact business under such name, provided that the Corporation shall set out its name in legible characters in all contracts, invoices, negotiable instruments and orders for goods or services issued or made by or on behalf of the Corporation.

Section 11.03 Officers of Division: From time to time the board or, if authorized by the board, the President and/or Chief Executive Officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The board or, if authorized by the board, the President and/or Chief Executive Officer, may remove at its or his pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

ARTICLE TWELVE NOTICES

Section 12.01 Method of Giving Notices: Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication. A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box and shall be deemed to have been received on the fifth day after so depositing; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The Secretary or Assistant Secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by him to be reliable.

Section 12.02 Signature to Notices: The signature of any director or officer of the Corporation to any notice or document to be given by the Corporation may be written, stamped, typewritten or printed or partly written, stamped, typewritten or printed.

Section 12.03 Proof of Service: A certificate of the Chairman of the Board (if any), the President, an Executive Vice-President, a Vice-President, the Secretary ~~or, the Assistant Secretary~~, the Treasurer or the Assistant Treasurer or of any other officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to the facts in relation to the mailing or delivery of any notice or other document to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation as the case may be.

Section 12.04 Notice to Joint Shareholders: All notices with respect to shares registered in more than one name shall, if more than one address appears on the records of the Corporation in respect of such joint holdings, be given to all of such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to the holders of such shares.

Section 12.05 Computation of Time: In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event both the date of giving the notice and the date of the meeting or other event shall be excluded.

Section 12.06 Undelivered Notices: If any notice given to a shareholder pursuant to Section 12.01 is returned on three consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.

Section 12.07 Omissions and Errors: The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise found thereon.

Section 12.08 Deceased Shareholders: Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased, and whether or not the Corporation has notice of his decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with any person or persons) until some other person be entered in his stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on his heirs, executors or administrators and on all persons, if any, interested with him in such shares.

Section 12.09 Persons Entitled by Death or Operation of Law: Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

Section 12.10 Waiver of Notice: Any shareholder (or his duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board which may be given in any manner.

|

**ARTICLE THIRTEEN
EFFECTIVE DATE**

Section 13.01 Effective Date: This by-law shall come into force upon being passed by the board.

**ARTICLE FOURTEEN
REPEAL**

Section 14.01 Repeal: Upon this by-law coming into force, by-law number 1 of the Corporation shall be repealed provided that such repeal shall not affect the previous operation of such by-law number 1 so repealed or affect the validity of any act done or right, privilege, obligation, acquired or incurred, or the validity of any contract or agreement made pursuant to such by-law number 1 prior to its repeal. All resolutions of the shareholders and of the board with continuing effect passed under such repealed by-law number 1 shall continue to be good and valid except to the extent that such resolutions are inconsistent with this by-law.

ENACTED this ~~10th~~ 14th day of ~~November, 2004~~ March, 2008.

WITNESS the seal of the Corporation.

~~Chief Financial Officer~~ President – Peter D. Barnes ~~Secretary~~ – ~~Paul~~ M.
~~Stein~~ Michael Johnson

