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Ministry of
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Ontario Business Services
CERTIFICATE
 This is to certify that those articles
 are effective on

Ministère des Services
aux consommateurs
et aux entreprises
CERTIFICAT
 Ceci certifie que les présents statuts
 entrent en vigueur le

Ontario Corporation Number
 Numéro de la société en Ontario

1601257

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JANUARY - 1 JANVIER, 2004



Director / Directrice
 Business Corporations Act / Loi sur les sociétés par actions

ARTICLES OF AMALGAMATION
STATUTS DE FUSION

Form 4
 Business
 Corporations
 Act

Formule 4
 Loi sur les
 sociétés par
 actions

1. The name of the amalgamated corporation is: (Set out in BLOCK CAPITAL LETTERS)
 Dénomination sociale de la société issue de la fusion (écrire en LETTRES MAJUSCULES SEULEMENT):

D Y N A M I C F U E L S Y S T E M S I N C .

2. The address of the registered office is:
 Adresse du siège social:

890 Brock Road South

(Street & Number or R.R. Number & if Multi-Office Building give Room No.)
 (Rue et numéro, ou numéro de la R.R. et, s'il s'agit d'un édifice à bureaux, numéro du bureau)

Pickering

Ontario

L1W 1Z9

(Name of Municipality or Post Office)
 (Nom de la municipalité ou du bureau de poste)

(Postal Code /
 Code postal)

3. Number of directors is/are: **or** minimum and maximum number of directors is/are:
 Nombre d'administrateurs: **ou** nombres minimum et maximum d'administrateurs:
 Number **or** minimum and maximum
 Nombre **ou** minimum et maximum

3 | 10

4. The director(s) is/are.
 Administrateur(s):

First name, middle names
 and surname
 Prénoms, autres noms
 de famille

Address for service, giving Street & No. or R.R. No.,
 Municipality, Province, Country and Postal Code
 Domicile élu, y compris la rue et le numéro ou le
 numéro de la R.R., le nom de la municipalité, la
 province, le pays et le code postal

Resident Canadian
 State 'Yes' or 'No'
 Résident canadien
 Oui/Non

Thomas Fairfull	6 Flazington Court, Ajax, Ontario, Canada L1S 6N5	Yes
Gerald Feldman	144 Forest Lane Drive, Thornhill, Ontario, Canada L4J 3N8	Yes
Allen Koffman	17 Tillingham Keep, Toronto, Ontario, Canada M3H 6A1	Yes
David Eric Whitnall	49 Thornheights Road, Thornhill, Ontario, Canada L3T 3L9	Yes

4. The director(s) is/are:
Administrateur(s) :

First name, middle names and surname <i>Prénom, autres prénoms et nom de famille</i>	Address for services, giving street & No. or R.R. No., Municipality, Province, Country and Postal code. <i>Domicile élu, y compris la rue et le numéro ou le numéro de la R.R., le nom de la municipalité, la province, le pays et le code postal</i>	Resident Canadian State 'Yes' or 'No' <i>Résident canadien Oui/Non</i>
Douglas Pattison	13310-27th Side Road, Halton Hills, Ontario, Canada L7G 4S4	Yes

5. **Check A or B**
Cocher A ou B

A) The amalgamation agreement has been duly adopted by the shareholders of each of the amalgamating corporations as required by subsection 176 (4) of the *Business Corporations Act* on the date set out below.

A) *Les actionnaires de chaque société qui fusionne ont dûment adopté la convention de fusion conformément au paragraphe 176(4) de la Loi sur les sociétés par actions à la date mentionnée ci-dessous.*

or
ou

B) The amalgamation has been approved by the directors of each amalgamating corporation by a resolution as required by section 177 of the *Business Corporations Act* on the date set out below.

B) *Les administrateurs de chaque société qui fusionne ont approuvé la fusion par voie de résolution conformément à l'article 177 de la Loi sur les sociétés par actions à la date mentionnée ci-dessous.*

The articles of amalgamation in substance contain the provisions of the articles of incorporation of *Les statuts de fusion reprennent essentiellement les dispositions des statuts constitutifs de*

Dynamic Fuel Systems Inc.

and are more particularly set out in these articles.
et sont énoncés textuellement aux présents statuts.

Names of amalgamating corporations <i>Dénomination sociale des sociétés qui fusionnent</i>	Ontario Corporation Number <i>Numéro de la société en Ontario</i>	Date of Adoption/Approval <i>Date d'adoption ou d'approbation</i>		
		Year / année	Month / mois	Day / jour
		Chancellor Enterprises Holdings Inc.	728928	2003
Dynamic Fuel Systems Inc.	1466169	2003	Dec	31

6. Restrictions, if any, on business the corporation may carry on or on powers the corporation may exercise.
Limites, s'il y a lieu, imposées aux activités commerciales ou aux pouvoirs de la société.

None.

7. The classes and any maximum number of shares that the corporation is authorized to issue:
Catégories et nombre maximal, s'il y a lieu, d'actions que la société est autorisée à émettre :

The Corporation is authorized to issue an unlimited number of common shares.

8. Rights, privileges, restrictions and conditions (if any) attaching to each class of shares and directors authority with respect to any class of shares which may be issued in series.
Droits, privilèges, restrictions et conditions, s'il y a lieu, rattachés à chaque catégorie d'actions et pouvoirs des administrateurs relatifs à chaque catégorie d'actions qui peut être émise en série.

Not applicable.

9. The issue, transfer or ownership of shares is/are not restricted and the restrictions (if any) are as follows:
L'émission, le transfert ou la propriété d'actions est/n'est pas restreint. Les restrictions, s'il y a lieu, sont les suivantes :

None.

- 10 Other provisions. (if any).
Autres dispositions. s'il y a lieu .

None.

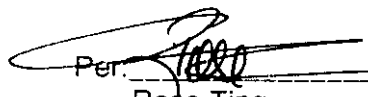
- 11 The statements required by subsection 178(2) of the *Business Corporations Act* are attached as Schedule "A".
Les déclarations exigées aux termes du paragraphe 178(2) de la Loi sur les sociétés par actions constituent l'annexe A

- 12 A copy of the amalgamation agreement or directors' resolutions (as the case may be) is/are attached as Schedule "B".
Une copie de la convention de fusion ou les résolutions des administrateurs (selon le cas) constitue(nt) l'annexe B.

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.


Names of the amalgamating corporations and signatures and descriptions of office of their proper officers.
Dénomination sociale des sociétés qui fusionnent, signature et fonction de leurs dirigeants régulièrement désignés.

CHANCELLOR ENTERPRISES HOLDINGS INC.

Per: 

Rose Ting
President and Chief Executive Officer

DYNAMIC FUEL SYSTEMS INC.

Per: 

Thomas Fairfull
President and Chief Executive Officer

Schedule "A"

STATEMENT OF DIRECTOR

RE: Amalgamation of Chancellor Enterprises Holdings Inc. and Dynamic Fuel Systems Inc.

I, Rose Ting, hereby make the following statement in respect of the amalgamation of Chancellor Enterprises Holdings Inc. and Dynamic Fuel Systems Inc. (the "Amalgamation") pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario) (the "Act"):

1. I am a Director of Chancellor Enterprises Holdings Inc. (the "Corporation").
2. I have conducted such examinations of the books and records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make this statement.
3. There are reasonable grounds for believing that:
 - (a) the Corporation is, and the amalgamated corporation (the "Amalgamated Corporation") continuing from the Amalgamation will be, able to pay their respective liabilities as they become due;
 - (b) the realizable value of the Amalgamated Corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes; and
 - (c) no creditor of the Corporation will be prejudiced by the Amalgamation.

DATED the 31st day of December, 2003.


Rose Ting - Director

Schedule "A"


STATEMENT OF DIRECTOR

RE: Amalgamation of Chancellor Enterprises Holdings Inc. and Dynamic Fuel Systems Inc.

I, Rose Ting, hereby make the following statement in respect of the amalgamation of Chancellor Enterprises Holdings Inc. and Dynamic Fuel Systems Inc. (the "Amalgamation") pursuant to subsection 178(2) of the *Business Corporations Act* (Ontario) (the "Act"):

1. I am a Director of Dynamic Fuel Systems Inc. (the "Corporation").
2. I have conducted such examinations of the books and records of the Corporation and have made such inquiries and investigations as are necessary to enable me to make this statement.
3. There are reasonable grounds for believing that:
 - (a) the Corporation is, and the amalgamated corporation (the "Amalgamated Corporation") continuing from the Amalgamation will be, able to pay their respective liabilities as they become due;
 - (b) the realizable value of the Amalgamated Corporation's assets will not be less than the aggregate of its liabilities and stated capital of all classes; and
 - (c) no creditor of the Corporation will be prejudiced by the Amalgamation.

DATED the 31st day of December, 2003.



Thomas Fairfull - Director

Schedule "B"

THIS AMALGAMATION AGREEMENT made this 28th day of November, 2003.

AMONG:

CHANCELLOR ENTERPRISES HOLDINGS INC., a corporation incorporated pursuant to the laws of Ontario,

(hereinafter referred to as "Chancellor")

OF THE FIRST PART

- and -

DYNAMIC FUEL SYSTEMS INC., a corporation incorporated pursuant to the laws of Ontario,

(hereinafter referred to as "Dynamic")

OF THE SECOND PART

WHEREAS Chancellor and Dynamic have agreed to amalgamate and continue as one company pursuant to the terms of the *Business Corporations Act* (Ontario) (the "OBCA") on the terms and conditions hereinafter set out (the "Amalgamation");

AND WHEREAS the parties have made full disclosure to one another of their respective assets and liabilities;

AND WHEREAS Chancellor was incorporated pursuant to the provisions of the OBCA by a certificate of incorporation dated July 27, 1987 and its authorized capital consists of an unlimited number of common shares of which 11,250,000 common shares have been issued and are currently outstanding;

AND WHEREAS Dynamic was incorporated pursuant to the provisions of the OBCA by a certificate of incorporation dated March 2, 2001, and its authorized capital consists of an unlimited number of common shares of which 35,882,878 common shares have been issued and are outstanding as at October 31, 2003;

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

**ARTICLE I
INTERPRETATION**

1.1 In this Agreement:

- (a) "Amalgamated Corporation" means "Dynamic Fuel Systems inc.", the corporation to be formed pursuant to the Amalgamation;
- (b) "Amalgamating Corporations" means Chancellor and Dynamic;

- (c) **"Amalgamation"** means the amalgamation of the Amalgamating Corporations as herein provided;
- (d) **"Amalgamation Agreement"** or **"Agreement"** means this agreement;
- (e) **"Effective Date"** means the effective date set forth in the certificate of amalgamation pursuant to the OBCA in respect of the Amalgamation;
- (f) **"Effective Time"** means 12:01 a.m. (Local Time) on the Effective Date; and
- (g) **"OBCA"** means the *Business Corporations Act* (Ontario) or any successor legislation.

ARTICLE 2 AMALGAMATION

2.1 The Amalgamating Corporations and each of them do hereby agree to amalgamate as of the Effective Time under the provisions of the OBCA and to continue as one corporation under the terms and conditions hereinafter set out.

2.2 The name of the Amalgamated Corporation shall be DYNAMIC FUEL SYSTEMS INC.

2.3 There shall be no restrictions on the business which the Amalgamated Corporation may carry on nor on the powers the Amalgamated Corporation may exercise.

2.4 The place in Ontario where the registered office of the Amalgamated Corporation shall be located is in the Town of Pickering, in the Province of Ontario, until changed in accordance with the OBCA.

2.5 The registered office of the Amalgamated Corporation shall be located at 890 Brock Road South, Pickering, Ontario L1W 1Z9.

2.6 The Amalgamated Corporation shall be authorized to issue an unlimited number of common shares.

2.7 Pursuant to the OBCA, the rights of holders of common shares of the Amalgamated Corporation shall be equal in all respects and include the right to vote at all meetings of shareholders of the Amalgamated Corporation and to receive the remaining property of the Amalgamated Corporation upon dissolution.

2.8 The board of directors of the Amalgamated Corporation, until otherwise changed in accordance with the OBCA, shall consist of a minimum of three (3) and a maximum of ten (10) directors, the number of which the directors shall be empowered to fix from time to time. The directors shall be empowered to appoint additional directors subsequent to annual meetings subject to the limitations set out in Section 124(2) of the OBCA. On the Effective Date, the number of directors shall be five. The first directors of the Amalgamated Corporation shall be the persons whose names and addresses appear below:

<u>Name</u>	<u>Address</u>	<u>Resident Canadian</u>
Thomas Fairfull	6 Flazington Court, Ajax, Ontario L1S 6N5	Yes
Gerald Feldman	144 Forest Lane Drive, Thornhill, Ontario L4J 3N8	Yes
Ailen Koffman	17 Tillingham Keep, Toronto, Ontario M3H 6A1	Yes
David Eric Whitnall	49 Thornheights Road, Thornhill, Ontario, L3T 3L9	Yes
Douglas Pattison	13310-27 th Side Road, Halton Hills, Ontario L7G 4S4	Yes

The said first directors shall hold office until the first annual meeting of shareholders of the Amalgamated Corporation or until their successors are elected or appointed. The subsequent directors shall be elected each year by ordinary resolution at either an annual meeting or a special meeting of shareholders. The directors shall manage or supervise the management of the business and affairs of the Amalgamated Corporation, subject to the provisions of the OBCA.

2.9 The officers of the Amalgamated Corporation shall, until changed by the directors, be as follows:

<u>Name</u>	<u>Office</u>
Thomas Fairfull	President and Chief Executive Officer
Gerald Feldman	Chief Financial Officer
Glenn Davis	Vice-President, Corporate and Business Development
Henry Harris	Secretary

2.10 The by-laws of the Amalgamated Corporation to the extent not inconsistent with this Agreement shall be the by-laws of Chancellor until repealed, amended, altered or added to. The by-laws may be examined at the registered office of Chancellor or at Gowling Lafleur Henderson LLP, Suite 5800, 40 King Street West, Toronto, Ontario M5H 3Z7.

2.11 The auditors of the Amalgamated Corporation shall be Grunwald & Co., Chartered Accountants.

2.12 The Registrar and Transfer Agent of the Amalgamated Corporation shall be Equity Transfer Services Inc.

2.13 After the Amalgamation, the shareholders of the Amalgamating Corporations, when requested by the Amalgamated Corporation to do so, shall surrender the certificates representing

the shares held by them in the Amalgamating Corporations for cancellation and shall be entitled to receive, without charge, certificates for shares of the Amalgamated Corporation on the basis set forth in Section 3.1 of this Agreement.

ARTICLE 3 EXCHANGE OF SECURITIES UPON AMALGAMATION

3.1 At the Effective Time, the then issued and outstanding securities in the capital of the Amalgamating Corporations shall be converted into like issued and outstanding securities of the Amalgamated Corporation on the following basis:

- (a) the issued and outstanding common shares in the capital of Chancellor as at the Effective Time shall be converted into common shares of the Amalgamated Corporation on the basis of 1 common share of the Amalgamated Corporation for each 1 common share of Chancellor;
- (b) the issued and outstanding common shares in the capital of Dynamic shall be converted into common shares of the Amalgamated Corporation on the basis of 1 common share of the Amalgamated Corporation for each 1 common share of Dynamic; and
- (c) the issued and outstanding options to acquire common shares in the capital of Dynamic shall be converted into options to acquire common shares of the Amalgamated Corporation on the basis of 1 stock option to acquire common shares of the Amalgamated Corporation for each 1 stock option to acquire common shares of Dynamic, and such stock options shall be governed by the Stock Option Plan of Chancellor as referred to in section 3.4.

3.2 Fractional securities of the Amalgamated Corporation will not be issued. Fractional holders of securities of either of the Amalgamating Corporations who would otherwise be entitled to receive a fraction of a security of the Amalgamated Corporation shall receive a whole number of securities of the Amalgamated Corporation calculated without reference to such fraction. Fractions shall be rounded down to the previous whole number if below 0.5 and shall be rounded up to the next whole number if equal to or above 0.5.

3.3 The stated capital of the Amalgamated Corporation shall be equal to the aggregate of the stated capitals of the Amalgamating Corporations immediately prior to the Effective Time.

3.4 The Amalgamated Corporation shall adopt the existing stock option plan of Chancellor as same may be amended prior to the Effective Date, a copy of which is annexed as Schedule "A" hereto.

ARTICLE 4 GENERAL PROVISIONS

4.1 The obligations of the Amalgamating Corporations to complete the actions contemplated by this Agreement shall be subject to the satisfaction of the following conditions:

- (a) each of the Amalgamating Corporations shall have, from the date of this Agreement to and including the Effective Date, carried on its business in the

ordinary course and shall not have entered into any transaction or incurred any obligation or liability out of the ordinary course of its business;

- (b) there shall not, from the date of this Agreement to and including the Effective Date, have been any material change in the business of either of the Amalgamating Corporations nor in their property or assets nor shall either of the Amalgamating Corporations incur any material debts without the prior written consent of the other Amalgamating Corporation;
- (c) there shall not, from the date of this Agreement to and including the Effective Date, have been any issuance of securities or obligations convertible or exercisable into additional securities of either of the Amalgamating Corporations, other than securities which may be issuable on the exercise or conversion of currently outstanding securities and the issuance of up to 868,150 common shares of Dynamic pursuant to private placements without the prior written consent of the other Amalgamating Corporation;
- (d) the Amalgamation shall have been approved by the shareholders of each of the Amalgamating Corporations by the requisite majorities of the shares entitled or required to vote thereon;
- (e) the issued and outstanding stock options to acquire common shares of Chancellor, as set out in Schedule "B", shall have been surrendered for cancellation;
- (f) the TSX Venture Exchange shall by the Effective Date, have conditionally approved the listing of shares of the Amalgamated Corporation to be issued pursuant to the Amalgamation subject to compliance with the usual requirements of the TSX Venture Exchange as well as approving the board of directors of the Amalgamated Corporation;
- (g) all other consents, orders, regulations or approvals including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from persons, authorities or bodies having jurisdiction in the circumstances;
- (h) none of the consents, orders, regulations, or approvals contemplated in this Agreement shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the parties acting reasonably; and
- (i) the parties shall sign such further and other documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise their vote and influence, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement.

4.2 Upon the shareholders of the Amalgamating Corporations, respectively, adopting this Amalgamation Agreement in accordance with the requirements of the OBCA, Articles of

Amalgamation in prescribed form shall be sent to the Director under the OBCA together with the documents required by section 178 of the OBCA.

4.3 Upon endorsement of the Certificate of Amalgamation under the OBCA:

- (a) the Amalgamating Corporations are amalgamated and continue as one corporation effective on that date under the terms and conditions prescribed in this Amalgamation Agreement;**
- (b) the Amalgamated Corporation possesses all the property, rights, privileges and franchises and is subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, liabilities and debts of each of the Amalgamating Corporations;**
- (c) a conviction against, or ruling, order or judgment in favour of or against an Amalgamating Corporation may be enforced by or against the Amalgamated Corporation;**
- (d) the Articles of Amalgamation shall be the Articles of Incorporation of the Amalgamated Corporation and the Certificate of Amalgamation, except for purposes of subsection 117(1) of the OBCA, shall be deemed to be the Certificate of Incorporation of the Amalgamated Corporation; and**
- (e) the Amalgamated Corporation shall be deemed to be the party plaintiff or party defendant, as the case may be, in any civil action commenced by or against an Amalgamating Corporation before the Amalgamation has become effective.**


4.4 This Agreement may be terminated by the board of directors of either of the Amalgamating Corporations acting reasonably, notwithstanding the approval of this Agreement by the shareholders of such Amalgamating Corporation, at any time prior to the endorsement of a Certificate of Amalgamation in respect of this Amalgamation Agreement.

4.5 This Agreement shall enure to the benefit of and be binding upon the parties and their respective successors, assigns, and legal representative

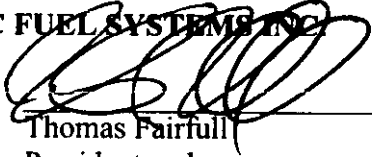
4.6 This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

IN WITNESS WHEREOF this Amalgamating Agreement has been duly executed by the parties hereto under their respective corporate seals as witnessed by the signatures of their proper officers in that regard.

**CHANCELLOR ENTERPRISES
HOLDINGS INC.**

By: 
Rose Ting
President and
Chief Executive Officer

DYNAMIC FUEL SYSTEMS INC.

By: 
Thomas Fairfull
President and
Chief Executive Officer

SCHEDULE "A"

CHANCELLOR STOCK OPTION PLAN

Chancellor Enterprises Holdings Inc. (the "Corporation") Stock Option Plan


1. Purpose of the Plan

The purpose of the Plan is to provide certain directors, officers and employees of the Corporation (and its Subsidiaries) or any person or company engaged to provide ongoing services to the Corporation or its Subsidiaries with compensation opportunities that will provide an increased incentive for these directors, officers, employees and service providers to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Corporation and its Subsidiaries to attract and retain individuals of exceptional skill.

2. Defined Terms

Where used herein, the following terms shall have the following meanings, respectively:

- 2.1 "Award Date" means the date on which the board awards a particular Option;
- 2.2 "Board" means the board of directors of the Corporation;
- 2.3 "Common Shares" means the common shares of the Corporation or, in the event of an adjustment contemplated by Article 6 hereof, such other shares to which a Participant may be entitled upon the exercise of an Option as a result of such adjustment;
- 2.4 "Corporation" means Chancellor Enterprises Holdings Inc., and includes any successor corporation thereof;
- 2.5 "Eligible Person" means a director, officer or employee of the Corporation or its Subsidiaries, or any other person or entity engaged to provide ongoing services to the Corporation or its Subsidiaries, a company controlled, directly or indirectly, by any such person or entity, the shares of which are beneficially owned, and will continue to be owned, by such person or entity, or a Registered Retirement Savings Plan ("RRSP") or a Registered Retirement Income Plan ("RRIF") established by such person or entity, of which such person or entity is the beneficiary. In the event that a company ceases to be controlled by such person, any Options granted to such company shall forthwith be terminated. In the event that the rules of any Exchange provide that any of the above noted parties are not eligible to participate in this stock option plan, the definition of Eligible Person shall be limited to exclude such person;

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- 2.6 "Exchange" means any stock exchange in Canada or in the United States on which the Corporation's shares are listed and posted for trading as may be selected for such purpose by the Board;
- 2.7 "Market Price" per Common Share at any date shall be the closing price of the Common Shares on the Exchange on the trading day immediately preceding the date on which the Option is granted. In the event that the Common Shares are not listed and posted for trading on any stock exchange in Canada or the United States, the Market Price shall be determined by the Board in its sole discretion;
- 2.8 "Option" means an option to purchase Common Shares granted by the Board to certain Eligible Persons subject to the provisions contained herein;
- 2.9 "Option Price" means the price per share at which Common Shares may be purchased under the Option, as the same may be adjusted in accordance with Articles 4 and 6 hereof;
- 2.10 "Participant" means certain Eligible Persons to whom Options are granted in accordance with the terms of this Plan and which Options or a portion thereof remain unexercised;
- 2.11 "Plan" means this Stock Option Plan of the Corporation, as the same may be amended or varied from time to time; and
- 2.12 "Subsidiary" means a corporation that is a subsidiary of the Corporation, if any, as such term is defined under subsection 2(4) of the *Business Corporations Act* (Ontario), as such provision is from time to time amended, varied or re-enacted.

3. **Administration of the Plan**

- 3.1 The Plan shall be administered by the Board. The Corporation shall effect the grant of Options under the Plan, in accordance with determinations made by the Board pursuant to the provisions of the Plan:
- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan;
 - (b) to interpret and construe the Plan and to determine all questions arising out of the Plan and any Option granted pursuant to the Plan, and any such interpretation, construction, or termination made by the Committee shall be final, binding and conclusive for all purposes;
 - (c) to determine to which Eligible Persons Options are granted and to grant Options;
 - (d) to determine the number of Common Shares covered by each Option;
 - (e) to determine the Option Price;

- (f) to determine the time or times when Options will be granted and exercisable;
- (g) to determine if the Common Shares which are subject to an Option will be subject to any restrictions upon the exercise of such Option; and
- (h) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

3.2 The Board may, from time to time, adopt such rules and regulations for administering the Plan as it may deem proper and in the best interests of the Corporation and may, subject to applicable law, delegate its powers hereunder to administer the Plan to a committee of the Board (the "Committee"). Such committee shall be comprised of two or more members of the Board who shall serve at the pleasure of the Board. Vacancies occurring on the Committee shall be filled by the Board.

3.3 The Committee (or the Board where the Committee has not been constituted) shall have the power to delegate to any member of the Board or officer so designated (the "Administrator"), with the power to determine which Eligible Persons are to be granted Options and to grant such Options, the number of Common Shares purchasable under each Option, the Option Price and the time or times when and the manner in which Options are exercisable, and the Administrator shall make such determinations in accordance with the provisions of this Plan and with applicable securities and stock exchange regulatory requirements, subject to final approval by the Committee or Board.

4. Granting of Option

4.1 The Board from time to time may grant Options to certain Eligible Persons. The grant of Options will be subject to the conditions contained herein and may be subject to additional conditions determined by the Board from time to time including, without limiting the generality of the foregoing, a condition requiring that a Participant also be a participant in a specified stock purchase plan or stock appreciation rights plan of the Corporation and the imposition of any hold period that may be required under applicable laws or pursuant to the rules of any Exchange.

4.2

- (a) Subject to subsections 4.2(b), (c) and (d) below, Options may be granted on authorized but unissued Common Shares. A maximum of 1,500,000 Common Shares may be issued at any time and from time to time under the Plan. Common Shares in respect of which Options have been granted but which are not exercised prior to expiry shall be available for subsequent Options.



- (b) The total number of Shares to be optioned to any one Optionee under this Plan together with any Shares reserved for issuance under options or warrants for services and employee stock purchase plans or any other share compensation arrangements to such Optionee shall not exceed 5% of the issued and outstanding Shares at the date of the grant of the Option.
 - (c) The maximum number of options issuable to insiders of the Corporation shall be subject to the following additional limits:
 - (i) the number of shares reserved for issuance pursuant to stock options granted to insiders will not exceed 10% of the outstanding issue;
 - (ii) the issuance to insiders, within one-year period, of a number of shares will not exceed 10% of the outstanding issue; and
 - (iii) the issuance to any one insider and such insider's associates, within one-year period, of a number of shares will not exceed 5% of the outstanding issue.
- 4.3 The Option price shall be fixed by the Board but under no circumstances shall any Option Price at the time of the grant be lower than the Market Price per Common Share.
- 4.4 At the discretion of the Board, the Option Price may increase, throughout the period or for any part of the period that the Option or a portion thereof remains unexercised, by an amount per annum fixed by the Board at the time the Option is granted.
- 4.5 An Option must be exercised within a period of 5 years from the date of the granting of the Option. The limitation period or periods within this 5 year period during which an Option or a portion thereof may be exercised by a Participant shall be determined by the Board.

5. Exercise of Option

Subject to the provisions of the Plan and the terms of the granting of the Option, an Option or a portion thereof may be exercised from time to time by delivery to the Corporation at its registered office of a notice in writing signed by the Participant or the Participant's legal personal representative and addressed to the Corporation. This notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Option or a portion thereof, the number of Common Shares in respect of which the Option is then being exercised and must be accompanied by payment in full of the Option Price for the Common Shares which are the subject of the exercise.



6. Market Price


The price at which an Option Holder may purchase a Share upon the exercise of an Option shall be as set forth in the Option Certificate issued in respect of such Option and in any event shall not be less than the Market Price of the Corporation's Shares as of on the trading day immediately preceding the date on which the Option is granted. The Market Price of the Corporation's Shares for a particular date shall be determined as follows:

- (a) for each organized trading facility on which the Common Shares are listed, the Market Price will be the closing trading price of the Common Shares on the day immediately preceding the Award Date;
- (b) if the Common Shares trade on an organized trading facility outside of Canada, then the Market Price determined for that organized trading facility will be converted into Canadian dollars at a conversion rate determined by the Board having regard for the published conversion rates as of the Award Date;
- (c) if the Common Shares are listed on more than one organized trading facility, then Market Value shall be the simple average of the Market Values determined for each organized trading facility on which those Shares are listed as determined for each organized trading facility in accordance with subparagraphs (a) and (b) above;
- (d) if the Common Shares are listed on one or more organized trading facility but have not traded during the ten trading day period immediately preceding the Award Date, then the Market Price will be, subject to the necessary approvals of the applicable regulatory authorities, such value as is determined by resolution of the Board; and
- (e) if the Common Shares are not listed on any organized trading facility, then the Market Price will be, subject to the necessary approvals of the applicable regulatory authorities, such value as is determined by resolution of the Board.

Notwithstanding anything else contained herein, in no case will the Market Value be less than the minimum prescribed by each of the organized trading facilities as would apply to a particular date in question.

7. Adjustments in Shares

- 7.1 Appropriate adjustments in the number of Common Shares subject to the Plan and, as regards Options granted or to be granted, in the number of Common Shares optioned and in the Option Price, shall be made by the Board to give effect to adjustments in the number of Common Shares resulting from subdivisions, consolidations or reclassifications of the Common Shares, the payment of stock dividends by the Corporation (other than dividends in the ordinary course) or



other relevant changes in the authorized or issued capital of the Corporation, which changes occur subsequent to the approval of the Plan by the Board.

- 7.2 Except as otherwise provided in the Plan, Options granted to Participants hereunder may not be assigned or transferred and, except in the case of the death of a Participant as provided for in section 8, are exercisable only by the Participant to whom the Options have been granted.

8. Decisions of the Board

All decisions and interpretations of the Board respecting the Plan or Options granted thereunder shall be conclusive and binding on the Corporation and the Participants and their respective legal personal representatives and on all directors, officers and employees eligible under the provisions of the Plan to participate therein.

9. Termination of Employment/Death

- 9.1 An Option, and all rights to purchase Common Shares thereunder, shall expire and terminate immediately upon the termination of the employment of the Participant by the Corporation or any Subsidiary of the Corporation, immediately upon the Participant ceasing to be an officer or a director, other than in the circumstances referred to below.

9.2 If, before the expiry of an Option in accordance with the terms thereof:

- (a) in the case of a Participant who is an employee of the Corporation, the employment of the Participant by the Corporation (or by any of its Subsidiaries) shall terminate for any reason whatsoever other than termination by the Corporation for cause or the voluntary resignation of the Participant but including, for greater certainty, termination by reason of the death of the Participant; or
- (b) in the case of a Participant who is an officer or a director of the Corporation and not an employee, such officer or director shall cease to be an officer or a director of the Corporation for any reason;

such Option may, subject to the terms thereof and any other terms of the Plan, be exercised, if the Participant is deceased, by the Legal personal representative(s) of the Participant's estate or, if the Participant is alive, by the Participant, at any time within 90 days of the date of termination of employment or, where applicable, the date a participant ceases to be an officer or director.

- 9.3 The Plan does not confer upon a Participant any right with respect to continuation of employment by the Corporation (or any Subsidiary) nor does it interfere in any way with the right of the Participant or the Corporation (or any Subsidiary) to terminate the Participant's employment at any time.

- 9.4 Options shall not be affected by any change of employment of the Participant where the Participant continues to be employed by the Corporation or any of its Subsidiaries.

10. Amendment or Discontinuance of Plan

The Board may amend or discontinue the Plan at any time without the consent of the Participants provided that such amendment shall not alter or impair any Option previously granted under the Plan except as permitted by the provisions of Article 8 hereof. Any amendment of the Plan may require the prior approval of an Exchange, if any.

11. Non Assignability

11.1 An Option is personal to a Participant and is non-assignable except for:

- (a) transfers, whether or not such transfers constitute trades, between any Eligible Person and a subsidiary entity of that Eligible Person, a RRSP established by or for that Eligible Person under which that Eligible Person is the beneficiary or a RRIF established by or for that Eligible Person or under which that Eligible Person is the beneficiary;
- (b) a transfer to:
 - (i) a spouse of the Participant,
 - (ii) a minor child of the Participant,
 - (iii) a minor grandchild of the Participant, or
 - (iv) a trust, of which at least one of the trustees is the Participant and the beneficiaries of which are one or more of the Participant and a person referred to in subsection (i), (ii) and (iii) of section (b) of this definition above;

unless the rules of any Exchange prohibit such transfer.

12. Government Regulation

12.1 The Corporation's obligation to issue and deliver Common Shares under any Option is subject to:

- (a) the satisfaction of all requirements under applicable securities laws in respect thereof and obtaining all regulatory approvals as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof;
- (b) the admission of such Common Shares to listing on any Exchange on which such Common Shares may then be listed; and

- (c) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Common Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction or the rules of any Exchange.

In this connection, the Corporation shall take all reasonable steps to obtain such approvals and registrations as may be necessary for the issuance of such Common Shares in compliance with applicable securities laws and for the listing of such Common Shares on any Exchange on which such Common Shares are then listed.

13. Participants' Rights

A Participant shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Common Shares upon the exercise of an Option or a portion thereof and then only with respect to the Common Shares represented by such certificate or certificates.

14. Approvals

- 14.1 The Plan shall be subject to the approval of the shareholders of the Corporation by a resolution at a meeting of the Shareholders of the Corporation.
- 14.2 Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless such approval and acceptance is given.

ADDENDUM

THIS ADDENDUM shall form an integral part of the stock option plan of Chancellor Enterprises Holdings Inc. (the "Plan"), effective as of April 18, 2001 on the following terms:

1. **Number of Options Reserved under Plan**- A maximum of 2,200,000 Common Shares, or up to 20% of the issued and outstanding Common Shares of the Corporation may be issued at any time and from time to time under the Plan.
2. **Exercise of Option** - Each Option will be subject to a minimum eighteen month vesting schedule whereby vesting of an Option will occur no earlier than in accordance with the following vesting schedule:
 - (a) 25% of the optioned Shares will be exercisable as of and from the date of grant;
 - (b) a further 25% of the optioned Shares will be exercisable as of and from the date which is 6 months after the date of grant;
 - (c) a further 25% of the optioned Shares will be exercisable as of and from the date which is 12 months after the date of grant;
 - (d) the remaining 25% of the optioned Shares will be exercisable as of and from the date which is 18 months after the date of grant;

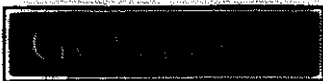
or such other more restrictive vesting schedule as the Board may determine. The vesting schedule for each Option shall be specified in an option agreement.

3. **Adjustments in Shares** - Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Participant is an insider of the Corporation at the time of a proposed amendment.

SCHEDULE "B"

CHANCELLOR OPTIONS TO BE SURRENDERED PRIOR TO AMALGAMATION

Name of Optionee	Office/Position	Date of Grant	Number of Options Granted	Exercise Price	Balance Outstanding	Expiry Date
Allen Koffman	Secretary and Director	09/01/01	500,000	\$0.15	500,000	08/01/06
Barry Pollack	Director	09/01/01	200,000	\$0.15	200,000	08/01/06
Hugo Liberti	Director	09/01/01	200,000	\$0.15	200,000	08/01/06



1601257

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Telephone (416) 369-7200
Facsimile (416) 369-7250
www.gowlings.com

Jason A. Saltzman
Direct (416) 862-4479
Direct Fax (416) 863-3479
jason.saltzman@gowlings.com

December 31, 2003

Ministry of Consumer & Business Services
Companies Branch
375 University Avenue, 2nd Floor
Toronto, Ontario
M5G 2M2

Ref. 5712841

Dear Sir/Madam:

Re: **DYNAMIC FUEL SYSTEMS INC.**

Enclosed herewith are the following:

- 1. Articles of Amalgamation, in duplicate; and
- 2. A cheque payable to Minister of Finance.

Please issue a Certificate of Amalgamation dated **January 1, 2004** and deliver it to our awaiting searcher.

Thank you.

Yours very truly,

GOWLING LAFLEUR HENDERSON LLP

Jason A. Saltzman
Associate
Encls.

FOR LAW 55-055911

6. The amendment has been duly authorized as required by sections 168 and 170 (as applicable) of the *Business Corporations Act*.
La modification a été dûment autorisée conformément aux articles 168 et 170 (selon le cas) de la *Loi sur les sociétés par actions*.
7. The resolution authorizing the amendment was approved by the shareholders/directors (as applicable) of the corporation on
Les actionnaires ou les administrateurs (selon le cas) de la société ont approuvé la résolution autorisant la modification le

2012/11/28

(Year, Month, Day)
(année, mois, jour)

These articles are signed in duplicate.
Les présents statuts sont signés en double exemplaire.

Dynamic Fuel Systems Inc.

(Print name of corporation from Article 1 on page 1)
(Veuillez écrire le nom de la société de l'article un à la page une)

By/
Par

(Signature)
(Signature)

President & Corporate Secretary

(Description of Office)
(Fonction)

14859149



501 Alliance Ave, Ste 202. Toronto, Ontario, M6N 2J1. Canada
Phone: 905 831 2440 Fax: 905 831 3282
www.dynamicfuel.com
TSX:V Symbol – (DYA)

Cover Page

Name Change package for Dynamic Fuel Systems Inc.
As required by the Business Registration Act

Contact Name: Grove Bennet, President & Corporate Secretary

Return Address: 501 Alliance Ave. Ste 202. Toronto, ON M6N2J1

Telephone : 905-831-2440

This document contains:

- Application Form 3: Amendment of Articles of Incorporation (2 copies)
- Ontario-biased NUANS search report

Ministry of Government Services

Ministère des Services gouvernementaux



ServiceOntario

ServiceOntario

Central Production and
Verification Services Branch

Direction des services centraux de
production et de vérification

(mailing address)
393 University Avenue, Suite 200
Toronto ON M5G 2M2
(physical address)
375 University Avenue, 2nd floor

(adresse postale)
393, avenue University, bureau 200
Toronto ON M5G 2M2
(adresse municipale)
375, avenue University, 2^e étage

416-314-4823

DYNACERT INC.
501 ALLIANCE AVE
Suite: 202
TORONTO ON M6N 2J1

File # 2013 - 4392

September 05, 2013

Re: **DYNACERT INC.**
Ontario Corporation No. 1601257

All corporations, other than those corporations exempted by the regulations, are required to file a notice of change for every change in the information filed under the **Corporations Information Act** within fifteen (15) days after the day the change takes place, as per section 4 of the Act.

The Ministry of Government Services has reason to believe that the information previously filed by the above-noted corporation in a Form 1, Initial Return/Notice of Change, is no longer current.

REQUIREMENT TO FILE
Section 7, Corporations Information Act

Pursuant to section 7 of the **Corporations Information Act** the corporation is required to file the enclosed Notice of Change, Form 1, within **thirty (30) days** from the date of this request.

Should the enclosed Form 1 not be completed and received by the Ministry within the prescribed time period, sanctions under the **Business Corporations Act**, that call for the dissolution of the corporation, **and/or** the offence section of the **Corporations Information Act** may be invoked.

Please remember, as per subsection 4(2) of the **Corporations Information Act** and section 4 of Ontario Regulation 182 made under the Act, that when filing a Form 1, Initial Return/Notice of Change, you must not only show the changes and the dates the changes occurred, you **must also repeat all unchanged information, including directors/officers whose information has not changed.**

For more information, please refer to the Checklist for Completing a Form 1, Initial Return/Notice of Change information sheet available on-line at www.serviceontario.ca or by calling 416-314-8880 or 1-800-361-3223 (toll-free in Ontario).

Please use the enclosed Form 1 and self-addressed return envelope to respond to this request or you can file an Initial Return/Notice of Change, Form 1 electronically through the Internet by using one of the service providers under contract with the Ministry.

For more information about the Service Providers, the products and services they offer and their fees, please visit the ServiceOntario website at: www.ServiceOntario.ca.

Your co-operation in this matter is greatly appreciated.

Yours truly,

A handwritten signature in black ink, appearing to read "Janet Sabadin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Janet Sabadin
Manager, Compliance and Corporate Returns