

**CERTIFIED RESOLUTION OF THE BOARD OF DIRECTORS OF  
AVALON WORKS CORP.**

**"NOW THEREFORE BE IT RESOLVED THAT:**

***Final Prospectus***

1. The form of (final) prospectus, including the financial statements contained therein, (the "prospectus") of the Corporation to be dated September 29, 2000 (or such other date as the President of the Corporation shall approve, such approval to be conclusively evidenced by such officer's execution of the certificate attached thereto) relating to the proposed issue of 2,500,000 Common Shares at a price of \$0.20 per share upon and subject to the terms therein set forth, be and it is hereby authorized and approved, and a prospectus substantially in such form with such additions thereto, deletions therefrom and alterations thereto as the persons hereinafter authorized sign the prospectus shall approve, such approval to be conclusively evidence by the execution by such persons of the prospectus, shall be conclusively deemed to be the prospectus which is authorized and approved by this resolution and in respect of which the execution of itself is herein authorized and approved;
2. Vitold Jordan, President, Chief Executive Officer and Chief Financial Officer of the Corporation (or, in his absence, any person or persons permitted to sign by the securities authorities with which the prospectus is to be filed) be and is hereby authorized to sign the prospectus as President, Chief Executive Officer and Chief Financial Officer, and any two other directors of the Corporation be and they are hereby authorized to sign the prospectus on behalf of the Board of Directors of the Corporation;
3. Any two directors of the Corporation be and they are hereby authorized to sign the balance sheet contained in the prospectus on behalf of the Board of Directors of the Corporation;
4. The prospectus, together with all documents deemed necessary by counsel to the Corporation, be filed with the Alberta Securities Commission;
5. Any director and officer of the Corporation be and is hereby authorized and directed to do and perform all such acts and things and to execute and deliver or cause to be executed and delivered, for, in the name of and on behalf of the Corporation (whether under seal of the Corporation or otherwise) all such agreements, instruments and other documents as in their opinion may be necessary or desirable to perform or give effect to the terms of this resolution;

***Agency Agreement***

6. The execution and delivery in the name of and on behalf of the Corporation of an agency agreement (the "Agency Agreement") dated September 29, 2000 (or such other date as the President of the Corporation shall approve, such approval to be conclusively evidenced by such officer's execution of the Agency Agreement) among the Corporation, Goepel McDermid Inc. (the "Agent") and CIBC Mellon Trust Company, wherein the Agent agrees to act as the agent of the Corporation to offer for sale, by way of prospectus of 2,500,000 Common Shares at a price of \$0.20 per share and pursuant to which Agency Agreement the Corporation has agreed to pay to the Agent a fee equal to \$0.02 per share and an option to purchase up to 250,000 Common Shares at a price of \$0.20 per share for a period of 18 months from the date of listing, be and the same is hereby ratified, confirmed and approved (together with any and all amendments thereto, deletions therefrom and additions thereto as any one of the officers or directors of the Corporation shall approve, such approval to be conclusively evidenced by such officer's or director's execution of the agreement and the agreement so executed shall be conclusively deemed to be the agreement approved by this resolution) and the performance of the terms thereof is hereby authorized and approved;
  
7. Any one director or officer of the Corporation be and is hereby authorized to settle the definitive terms of and to execute and deliver the Agency Agreement for, on behalf of and in the name of the Corporation, and the Agency Agreement so executed shall conclusively be deemed to be the Agency Agreement authorized and approved by this resolution;

***Escrow Agreement***

8. The execution and delivery in the name of and on behalf of the Corporation of an escrow agreement (the "Escrow Agreement") dated September 29, 2000 between the Corporation, CIBC Mellon Trust Company (the "Escrow Agent") and certain security holders of the Corporation (the "Security Holders"), wherein the Escrow Agent agrees to hold in escrow Common Shares owned by the Security Holders in accordance with the requirements of Policy 2.4 of the Canadian Venture Exchange Inc., be and the same is hereby ratified, confirmed and approved (together with any and all amendments thereto, deletions therefrom and additions thereto as any one officer or director of the Corporation shall approve, such approval to be conclusively evidenced by such officer's or director's execution of the agreement and the agreement so executed shall be conclusively deemed to be the agreement approved by this resolution) and the performance of the terms thereof is hereby authorized and approved;

9. Any one officer or director of the Corporation be and is hereby authorized to settle the definitive terms of and to execute and deliver the Escrow Agreement for, on behalf of and in the name of the Corporation, and the Escrow Agreement so executed shall conclusively be deemed to be the Escrow Agreement authorized and approved by this resolution;

***Approval of the Form of Share Certificate and Execution Thereof***

10. The President of the Corporation (or, in his absence any officer or director of the Corporation) be and is hereby authorized and directed to settle the definitive form of the certificate representing the Common Shares and any new or replacement form of certificate (the "Share Certificate") and the President of the Corporation, be and is hereby authorized to execute the Share Certificate as President by manual signature, facsimile signature or mechanical reproduction thereof, and the Share Certificates so executed shall be deemed to be the Share Certificate authorized, approved and adopted by this resolution;

***Reservation and Issuance of Common Shares***

11. 2,500,000 Common Shares be reserved and authorized for issuance pursuant to the Agency Agreement, previously approved, to subscribers of Common Shares whose subscriptions are accepted by the Corporation, and upon payment of the subscription price therefor and compliance with the other conditions to issuance such Common Shares be issued pursuant to the terms of the Agency Agreement;
12. The Common Shares so set aside and reserved are hereby authorized to be and shall be issued as fully paid and non-assessable, and the registrar and transfer agent for the Common Shares be and is hereby authorized and directed to countersign, issue and deliver to such holders, or to their order, certificates representing such Common Shares;
13. The Corporation grant to the Agent a non-transferable share purchase option (the "Agent's Option") to acquire a number of Common Shares equal to 10% of the Common Shares issued under the Corporation's Initial Public Offering (namely, 250,000 options) at an exercise price of \$0.20 for a period of eighteen (18) months following the date the Corporation's Common Shares are listed on the Canadian Venture Exchange Inc.;
14. There be and are hereby reserved and set aside for issuance to the Agent on the exercise of the Agent's Option, 250,000 Common Shares (or such other number of Common Shares as may be issuable pursuant to the Agent's Option) and upon exercise of the Agent's Option in accordance with its terms, including payment of the exercise price therefor, such Common Shares be validly issued as fully paid and non-assessable;

15. Any director or officer of the Corporation be and is hereby authorized to settle the definitive terms of and to execute and deliver the Agent's Option for, and on behalf of and in the name of the Corporation and the Agent's Option so executed shall conclusively be deemed to be the Agent's Option authorized and approved by this resolution; and

***Other Matters***

16. Any director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may necessary or advisable in order to give effect to the foregoing resolutions, the issuance of the Common Shares and the terms and conditions of the Agency Agreement, the Escrow Agreement or the Agent's Option."

\* \* \* \* \*

I, Vitold Jordan, President, Chief Executive Officer and Chief Financial Officer of Avalon Works Corp., hereby certify that the foregoing is a true and correct copy of the resolutions passed by the Board of Directors of the Corporation and that the same is in full force and effect as of the date hereof, unamended.

DATED at Montreal, Quebec, this 29th day of September, 2000.

(signed) "Vitold Jordan" \_\_\_\_\_  
Vitold Jordan  
President, Chief Executive Officer and  
Chief Financial Officer