



14th Floor - 1111 West Georgia Street, Vancouver, BC, V6E 4M3  
Tel. 604-689-1799 Fax.604-689-8199  
email: [yinglingtom@gmail.com](mailto:yinglingtom@gmail.com)  
Website: [www.berkwoodresources.com](http://www.berkwoodresources.com)

**NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON JULY 26, 2017**

**AND**

**INFORMATION CIRCULAR**

*DATED: June 21, 2017*

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.*

*If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and sign the enclosed form of proxy and return it in the envelope provided. All proxies to be valid, must be received by Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, by fax to 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com) at least 48 hours prior to the Meeting or any adjournment thereof. If you are not a registered Shareholder of the Company and receive these materials through your broker or through another intermediary, please complete and return the voting instruction form in accordance with the instructions provided to you by your broker or intermediary.*



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## NOTICE OF ANNUAL AND SPECIAL GENERAL MEETING

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual and special general meeting (the "Meeting") of **BERKWOOD RESOURCES LTD.** (the "Company") will be held at 14th Floor, 1111 West Georgia Street, Vancouver, BC, V6E 4M3, on Wednesday, July 26, 2017, at the hour of 10:00 a.m. (Vancouver time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended February 28, 2017, and the accompanying report of the auditors;
2. to set the number of directors of the Company for the ensuing year at four (4) persons;
3. to elect Thomas Yingling, Binny Jassal, Charn Deol and Ian Graham as directors of the Company to hold office until the next annual meeting of the Company, or until such time as their successors are duly elected or appointed in accordance with the Company's constating documents;
4. to appoint Smythe LLP, Chartered Professional Accountants, as the auditors of the Company and to authorize the directors of the Company to fix the remuneration to be paid to the auditors;
5. to approve an ordinary resolution to ratify, confirm and approve the adoption of the Company's new Stock Option Plan, as described in the Information Circular accompanying this Notice of Meeting;
6. to consider, and if thought advisable, to pass, with or without variation, a special resolution to ratify and approve the Advance Notice Policy of the Company dated March 15, 2017 and further authorizing an alteration to the Company's Articles to include advance notice provisions, as described in the Information Circular accompanying this Notice of Meeting;
7. to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company's board of directors has fixed June 21, 2017 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered Shareholder of the Company and are unable to attend the Meeting in person, please date and sign the enclosed form of proxy and return it in the envelope provided. All proxies to be valid, must be received by Computershare Investor Services Inc., 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, by fax to 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com) at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (an "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

DATED at Vancouver, British Columbia this 21<sup>st</sup> day of June, 2017.

**BERKWOOD RESOURCES LTD.**

*Signed: "Thomas Yingling"*

Thomas Yingling  
President and Chief Executive Officer



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**INFORMATION CIRCULAR**  
**As at June 21, 2017**

**INTRODUCTION**

This Information Circular accompanies the Notice of Annual and Special General Meeting (the "Notice") and is furnished to shareholders (each, a "Shareholder") holding common shares (each, a "Share") in the capital of **BERKWOOD RESOURCES LTD.** (the "Company") in connection with the solicitation by the management of the Company of proxies to be voted at the annual general meeting (the "Meeting") of the Shareholders to be held at 10:00 A.M. (Vancouver time) on July 26, 2017 at 14th Floor, 1111 West Georgia Street, Vancouver, BC, V6E 4M3, or at any adjournment or postponement thereof.

**Date and Currency**

The date of this Information Circular is June 21, 2017. Unless otherwise stated, all amounts herein are in Canadian dollars.

**PROXIES AND VOTING RIGHTS**

**Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse Shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specially engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

**Appointment of Proxy**

Registered Shareholders are entitled to vote at the Meeting. A Shareholder is entitled to one vote for each Share that such Shareholder holds on the record date of June 21, 2017 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the "Designated Persons") in the enclosed form of proxy are directors and/or officers of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING.**

**A SHAREHOLDER MAY EXERCISE THIS RIGHT BY STRIKING OUT THE PRINTED NAMES OF THE DESIGNATED PERSONS AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc., (i) by mail using the enclosed return envelope or (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America), by facsimile to 1-866-249-7775 or 1-416-263-9524 (if outside North America), or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com) at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the Shareholder who is giving it or by that Shareholder's attorney-in-fact duly authorized by that Shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual Shareholder or joint Shareholders, or by an officer or attorney-in-fact for a corporate Shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarial certified copy thereof, must accompany the form of proxy.

### **Revocation of Proxies**

A Shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that Shareholder or by that Shareholder's attorney-in-fact, authorized in writing, or, where the Shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a Shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

### **Voting of Shares and Proxies and Exercise of Discretion by Designated Persons**

A Shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the Shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the Shares represented will be voted or withheld from the vote on that matter accordingly. **The Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly.**

**If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the Designated Persons named in the form of proxy. It is intended that the Designated Persons will vote the Shares represented by the proxy in favour of each matter identified in the proxy AND for the nominees of the Company's board of directors (the "Board") for directors and auditor.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Shares on any matter, the Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those Shareholders who do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Shares can be recognized and acted upon at the Meeting.** If Shares are listed in an account statement provided by a broker, then in almost all cases those Shares will not be registered in the Beneficial Shareholder's name on the records of the Company. Such Shares will more likely be registered under the names of the Beneficial Shareholder's broker or an agent of that broker. In the United States, the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which

acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the registered Shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its Shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of their broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for the registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that their broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote their Shares.

All references to Shareholders in this Information Circular are to registered Shareholders, unless specifically stated otherwise.

#### **NOTICE AND ACCESS**

The Company is **not** sending the Meeting materials to Shareholders using "notice-and-access", as defined under National Instrument 54-101.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Company is authorized to issue an unlimited number of Shares without par value. As of the record date, determined by the Board to be the close of business on June 21, 2017, a total of 12,934,957 Shares were issued and outstanding. Each Share carries the right to one vote at the Meeting.

Only registered Shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding common shares of the Company.

#### **RECEIPT OF FINANCIAL STATEMENTS**

The directors will place before the Meeting the financial statements for the year ended February 28, 2017 together with the auditors' report thereon.

#### **NUMBER OF DIRECTORS**

The Articles of the Company provide for a Board of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the Shareholders.

At the Meeting, Shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at four (4). The number of directors will be approved if the affirmative vote of the majority of Shares present or represented by proxy at the Meeting and entitled to vote are voted in favour of setting the number of directors at four (4).

**Management recommends the approval of the resolution to set the number of directors of the Company at four.**

### ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy. All of the nominees listed in the Form of Proxy are presently members of the Board.

Management of the Company proposes to nominate the persons named in the table below for election by the Shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

<b>Name, Province, Country of Residence and Position(s) with the Company</b>	<b>Principal Occupation, Business or Employment for last 5 Years</b>	<b>Periods during which Nominee has served as a Director</b>	<b>Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly<sup>(1)(2)</sup></b>
<b>THOMAS YINGLING<sup>(3)</sup></b> <i>CEO, President and Director</i> Delta, BC, Canada	President of Brahma Communications Corp. (July 1993 to present), a private investment consulting firm; President, Chief Executive Officer and director of Pennant Energy Inc. (April 2003 to November 2012), a junior natural resources company listed on the TSX Venture Exchange until April 2014 and now a wholly owned subsidiary of Blackbird Energy Inc., a TSX Venture Exchange issuer	Jan. 18, 2017 to present	542,769 (of which 530,769 are held in directly)
<b>BINNY JASSAL</b> <i>CFO and Director</i> Delta, BC, Canada	Certified General Accountant and fellow member of Association of Chartered Certified Accountants in London England and holds Certificate in Accounting and Finance from Ryerson University Toronto	June 1, 2017 to present	96,154 (held indirectly)
<b>CHARN DEOL<sup>(3)</sup></b> <i>Director</i> Richmond, BC, Canada	Mr. Deol has over 30 years of experience in the financial markets. He has served on both public and private company boards. His past and current experience includes providing management and consulting services to companies, project analysis, investor relations, technical market analysis and the financing of international projects	June 10, 2016 to present	Nil
<b>IAN GRAHAM<sup>(3)</sup></b> <i>Director</i> Furry Creek, BC, Canada	Professional Geologist and Businessman	May 2, 2017 to present	Nil

**NOTES:**

- (1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at June 21, 2017
- (2) Shareholdings do not include stock options held and warrants convertible into common shares held, if any
- (3) Member of the audit committee

The term of office of those nominees set out above, who are presently directors, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Company's Articles of Incorporation and Bylaws, or with the provisions of applicable corporate legislation or until such director's earlier death, resignation or removal.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

**Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.**

#### *Orders*

No proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) 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 while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) 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 proposed 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.

#### *Bankruptcies*

To the best of management's knowledge, no proposed director of the Company is, or within 10 years before the date of this Information Circular has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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.

To the best of management's knowledge, no proposed director of the Company is, or within 10 years before the date of this Information Circular has been, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

#### *Penalties and Sanctions*

To the best of management's knowledge, no proposed director of the Company has been subject to:

- (a) by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with securities regulatory authority;
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **Participation of Directors in Other Reporting Issuers**

The following Directors of the Company hold Directorships in other reporting issuers as set out below:

<b>Name of Director</b>	<b>Name of Other Reporting Issuer</b>
Thomas Yingling	Arctic Star Exploration Corp.
Binny Jassal	Red Oak Mining Corp., Equitorial Exploration Corp.
Charn Deol	Mag One Products Inc., Saville Resources Inc., Matica Enterprises Inc.
Ian Graham	Montan Mining Corp., CMC Metals Ltd., Cache Exploration Inc., Commerce Resources Corp., Red Oak Mining Corp., WPC Resources Inc.

#### **STATEMENT OF EXECUTIVE COMPENSATION**

The following information is presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation*, and sets forth compensation for each of Thomas Yingling, Binny Jassal, David Hodge, George Gorzynski, Brian Buchanan, Shiraz Hussein and Jody Bellefleur (together, the “NEOs”) and Charn Deol and Bradley Hoepfner, the directors of the Company as at February 28, 2017.

#### **General**

For the purposes of this Statement of Executive Compensation:

“CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“Named Executive Officer” or “NEO” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with applicable securities laws; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

### **Compensation Discussion and Analysis**

The Company's compensation philosophy for its Named Executive Officers is designed to attract well qualified individuals in what is essentially an international market by paying competitive base management fees plus short and long term incentive compensation in the form of stock options or other suitable long term incentives. The Board of Directors meets to discuss and determine executive compensation without reference to formal objectives, criteria or analysis. In making its determinations regarding the various elements of executive compensation, the Board of Directors does not benchmark its executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company.

The duties and responsibilities of the President and CEO are typical of those of a business entity of the Company's size in a similar business and include direct reporting responsibility to the Board, overseeing the activities of all other executive and management consultants, representing the Company, providing leadership and responsibility for achieving corporate goals and implementing corporate policies and initiatives.

#### *Elements of Compensation*

During the financial year end February 28, 2017, the Company's executive compensation consisted of management and/or consulting fees and long term incentives in the form of stock options granted under the Company's Stock Option Plan.

The fees paid to officers of the Company are intended to provide fixed levels of competitive pay that reflect each officer's primary duties and responsibilities and the level of skill and experience required to successfully perform their role. The Company intends to pay fees to officers that are competitive with those for similar positions in the same industry to attract and retain executive talent in the market in which the Company competes for talent. Base fees of officers are reviewed annually by the Board of Directors.

#### *Compensation Policies and Risk Management*

The Board of Directors considers the implications of the risks associated with the Company's compensation policies and practices when determining rewards for its officers. The Board of Directors intends to review at least once annually the risks, if any, associated with the Company's compensation policies and practices at such time.

Executive compensation is comprised of short-term compensation in the form of a management/consulting fees and long-term ownership through the Company's Stock Option Plan. This structure ensures that a significant portion of executive compensation (stock options) is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long term Shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Company and the Shareholders is extremely limited. Furthermore, the short-term component of executive compensation (fees paid) represents a relatively small part of the total compensation. As a result, it is unlikely an officer would take inappropriate or excessive risks at the expense of the Company or the Shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions.

Due to the small size of the Company and the current level of the Company's activity, the Board of Directors is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Company are reviewed. No risks have been identified arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.



### *Hedging of Economic Risks in the Company's Securities*

The Company has not adopted a policy prohibiting Directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by Directors or officers. However, the Company is not aware of any Directors or officers having entered into this type of transaction.

### Share-Based and Option-Based Awards

The Company's Stock Option Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange, and closely align the interests of the executive officers with the interests of Shareholders.

The Board of Directors as a whole has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

### Compensation Governance

Options are granted at the discretion of the Board of Directors, which considers factors such as how other junior exploration companies grant options and the potential value that each optionee is contributing to the Company. The number of options granted to an individual is based on such considerations.

### Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and director, in any capacity, for the two most recently completed financial years.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Thomas Yingling CEO, President and Director <sup>(1)</sup>	2017	127,500	0	0	0	0	127,500
	2016	N/A	N/A	N/A	N/A	N/A	N/A
Binny Jassal CFO <sup>(2)</sup>	2017	59,000	0	0	0	0	59,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A
David Hodge Former CEO, President and Director <sup>(3)</sup>	2017	80,000	0	0	0	0	80,000
	2016	0	0	0	0	0	0
Jody Bellefleur Former CFO <sup>(4)</sup>	2017	0	0	0	0	0	0
	2016	0	0	0	0	0	0
George Gorzynski Former Interim CEO and Director <sup>(5)</sup>	2017	3,000	0	0	0	0	3,000
	2016	31,391	0	0	0	0	31,391
Brian Buchanan Former CEO and Director <sup>(6)</sup>	2017	N/A	N/A	N/A	N/A	N/A	Nil
	2016	7,500	0	0	0	0	7,500
Shiraz (Raz) Hussein Former CFO, Secretary and Director <sup>(7)</sup>	2017	30,000	0	0	0	0	30,000
	2016	30,000	0	0	0	0	30,000
Charn Deol Director <sup>(8)</sup>	2017	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Bradley Hoepfner Director <sup>(9)</sup>	2017	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Brian V. Hall Former Director <sup>(10)</sup>	2017	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Victor Jaramillo Former Director <sup>(11)</sup>	2017	0	0	0	0	0	0
	2016	0	0	0	0	0	0

#### NOTES:

- (1) Mr. Yingling was appointed CEO, President and a Director January 18, 2017
- (2) Mr. Jassal was appointed CFO on January 18, 2017
- (3) Mr. Hodge was appointed President, CEO and a director of the Company on August 19, 2016 and resigned on January 18, 2017
- (4) Ms. Bellefleur was appointed CFO on October 26, 2016 and resigned on January 18, 2017
- (5) Mr. Gorzynski was appointed Interim CEO on July 7, 2015 and resigned as CEO on August 19, 2016
- (6) Mr. Buchanan ceased to be the President, CEO and a director on July 5, 2015, when he passed away
- (7) Mr. Hussein was appointed CFO on August 8, 1997 and resigned on October 18, 2016
- (8) Mr. Deol was appointed a director on June 10, 2016
- (9) Mr. Hoepfner was appointed a director on October 18, 2016 and resigned June 1, 2017
- (10) Mr. Hall was appointed a director on May 6, 2005 and resigned April 20, 2016
- (11) Mr. Jaramillo was appointed a director on January 20, 2016 and resigned August 19, 2016

## Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each NEO and director by the Company for services provided or to be provided, directly or indirectly, to the Company as at February 28, 2017. (NOTE: On March 17, 2017, the Company consolidated its common shares on the basis of 5 pre-consolidation common shares for 1 post-consolidation common share. All the figures of stock options and exercise prices of stock options in the information circular are post-consolidation amounts)

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Thomas Yingling CEO, President and Director <sup>(1)</sup>	Stock Option	30,000/19% 220,000/44% <sup>(12)</sup>	April 12, 2017 Jan. 31, 2017	\$0.35 \$0.525 <sup>(12)</sup>	\$0.35 \$0.12 <sup>(12)</sup>	\$0.10 \$0.10	April 12, 2022 Jan. 18, 2022
Binny Jassal CFO <sup>(2)</sup>	Stock Option	20,000/12.5% 80,000/16% <sup>(12)</sup>	April 12, 2017 Jan. 31, 2017	\$0.35 \$0.525 <sup>(12)</sup>	\$0.35 \$0.12 <sup>(12)</sup>	\$0.10 \$0.10	April 12, 2022 Jan. 18, 2022
David Hodge Former CEO, President and Director <sup>(3)</sup>	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Jody Bellefleur Former CFO <sup>(4)</sup>	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
George Gorzynski Former Interim CEO and Director <sup>(5)</sup>	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Shiraz (Raz) Hussein Former CFO, Secretary and Director <sup>(7)</sup>	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Charn Deol Director <sup>(8)</sup>	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Bradley Hoepfner Director <sup>(9)</sup>	Stock Option	10,000/2% <sup>(12)</sup>	Jan. 31, 2017	\$0.525 <sup>(12)</sup>	\$0.12 <sup>(12)</sup>	\$0.10	Jan. 18, 2022
Brian V. Hall Director <sup>(10)</sup>	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A
Victor Jaramillo Director <sup>(11)</sup>	Stock Option	Nil	N/A	N/A	N/A	N/A	N/A

### NOTES:

- (1) Mr. Yingling was appointed CEO, President and a Director January 18, 2017
- (2) Mr. Jassal was appointed CFO on January 18, 2017
- (3) Mr. Hodge was appointed President, CEO and a director of the Company on August 19, 2016 and resigned on January 18, 2017
- (4) Ms. Bellefleur was appointed CFO on October 26, 2016 and resigned on January 18, 2017
- (5) Mr. Gorzynski was appointed Interim CEO on July 7, 2015 and resigned as CEO on August 19, 2016
- (6) Mr. Buchanan ceased to be the President, CEO and a director on July 5, 2015, when he passed away
- (7) Mr. Hussein was appointed CFO on August 8, 1997 and resigned on October 18, 2016
- (8) Mr. Deol was appointed a director on June 10, 2016
- (9) Mr. Hoepfner was appointed a director on October 18, 2016
- (10) Mr. Hall was appointed a director on May 6, 2005 and resigned April 20, 2016
- (11) Mr. Jaramillo was appointed a director on January 20, 2016 and resigned August 19, 2016
- (12) Post-consolidation. On March 17, 2017, the Company consolidated its common shares on the basis of 5 pre-consolidation common shares for 1 post-consolidation common share. All the figures of stock options and exercise prices of stock options in the information circular are post-consolidation amounts

## Exercise of Stock Options

During the financial year ended February 28, 2017 no NEO or directors of the Company exercised compensation securities.

## Stock Option Plans and Other Incentive Plans

The Company has adopted a stock option plan (the "Option Plan") pursuant to which the Board may grant options (the "Options") to purchase common shares of the Company (the "Shares") to NEOs, directors and employees of the Company or affiliated corporations and to consultants retained by the Company.

The purpose of the Option Plan is to attract, retain, and motivate NEOs, directors, employees and other service providers by providing them with the opportunity, through options, to acquire an interest in the Company and benefit from the Company's growth. Under the Option Plan, the maximum number of Shares reserved for issuance, including Options currently outstanding, is equal to 10% of the Shares outstanding from time to time (the "10% Maximum"). The 10% Maximum is an "evergreen" provision, meaning that, following the exercise, termination, cancellation or expiration of any Options, a number of Shares equivalent to the number of options so exercised, terminated, cancelled or expired would automatically become reserved and available for issuance in respect of future Option grants.

The number of Shares which may be the subject of Options on a yearly basis to any one person cannot exceed 5% of the number of issued and outstanding Shares at the time of the grant. Options may be granted to any employee, officer, director, consultant, affiliate or subsidiary of the Company exercisable at a price which is not less than the market price of common shares of the

Company on the date of the grant. The directors of the Company may, by resolution, determine the time period during which any option may be exercised (the “Exercise Period”), provided that the Exercise Period does not contravene any rule or regulation of such exchange on which the Shares may be listed. All Options will terminate on the earliest to occur of (a) the expiry of their term; (b) the date of termination of an optionee’s employment, office or position as director, if terminated for just cause; (c) 90 days (or such other period of time as permitted by any rule or regulation of such exchange on which the Shares may be listed) following the date of termination of an optionee’s position as a director or NEO, if terminated for any reason other than the optionee’s disability or death; (d) 30 days following the date of termination of an optionee’s position as a consultant engaged in investor relations activities, if terminated for any reason other than the optionee’s disability, death, or just cause; and (e) the date of any sale, transfer or assignment of the Option.

Options are non-assignable and are subject to early termination in the event of the death of a participant or in the event a participant ceases to be a NEO, director, employee, consultant, affiliate, or subsidiary of the Company, as the case may be. Subject to the foregoing restrictions, and certain other restrictions set out in the Option Plan, the Board is authorized to provide for the granting of Options and the exercise and method of exercise of options granted under the Option Plan.

The TSX Venture Exchange requires listed companies that have “rolling” stock option plans in place to receive shareholder approval for such plans on a yearly basis at the company’s annual Shareholders meeting. As at the date hereof, there are 1,260,000 options outstanding under the Option Plan. The last shareholders meeting was held on September 13, 2016 and approval was granted.

A copy of the Plan is attached hereto as Schedule “D” and is also available for review at the office of the Company at Suite 1400, 1111 West Georgia Street, Vancouver, British Columbia, V6E 4M3 or at the registered offices of the Company, at Suite 600, 1090 West Georgia Street, Vancouver, BC, V6E 3V7, during normal business hours up to and including the date of the Meeting. Refer to “Particulars of Matters To Be Acted Upon – Approval and Ratification of Stock Option Plan”.

### **Employment, Consulting and Management Agreements**

Management functions of the Company are not, to any substantial degree, performed other than by directors or NEOs of the Company.

Neither the Company, nor its subsidiaries, has a contract, agreement, plan or arrangement that provides for payments to a NEO following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control, during the financial year end February 28, 2017.

- Thomas Yingling had a verbal agreement with the Company pursuant to the terms of which Mr. Yingling agreed to act as the President and Chief Executive Officer of the Company in consideration of the compensation of \$127,500.
- Binny Jassal had a verbal agreement with the Company pursuant to the terms of which Mr. Jassal agreed to act as the Chief Financial Officer of the Company in consideration of the compensation of \$59,000.
- David Hodge had a verbal agreement with the Company pursuant to the terms of which Mr. Hodge agreed to act as the President and Chief Executive Officer of the Company in consideration of the compensation of \$80,000. Mr. Hodge resigned as President and Chief Executive Officer on January 18, 2017.
- Shiraz (Raz) Hussein had a verbal agreement with the Company pursuant to the terms of which Mr. Hussein agreed to act as the Chief Financial Officer of the Company in consideration of the compensation of \$30,000. Mr. Hussein resigned as the Chief Financial Officer on October 18, 2016.
- George Gorzynski had a verbal agreement with the Company pursuant to the terms of which Mr. Gorzynski agreed to act as Interim Chief Executive Officer of the Company in consideration of the compensation of \$3,000. Mr. Gorzynski resigned as the Interim Chief Executive Officer on August 19, 2016.

### **Oversight and Description of Director and NEO Compensation**

#### ***Compensation of Directors***

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board’s view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option grants to directors under the Option Plan from time to time, the Board does not employ

a prescribed methodology when determining the grant or allocation of Options. Other than the Option Plan, as discussed above, the Company does not offer any long term incentive plans, share compensation plans or any other such benefit programs for directors.

### ***Compensation of NEOs***

Compensation of the NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

### ***Elements of NEO Compensation***

#### ***Salary/Fees***

During the financial year end February 28, 2017, the Company's CEO and CFO (both past and present) received consulting/management/administration fees. The Board reviews these fees annually to ensure that they reflect each respective NEO's performance and experience in fulfilling his/her role. Due to the relatively small size of the Company, limited cash resources, and the early stage and scope of the Company's operations, NEOs receive limited fees relative to industry standards. The Board does not currently have any plan in place to materially increase the NEOs' fees.

#### ***Option Plan***

As discussed above, the Company provides an Option Plan to motivate NEOs by providing them with the opportunity, through Options, to acquire an interest in the Company and benefit from the Company's growth. The Board does not employ a prescribed methodology when determining the grant or allocation of Options to NEOs. Other than the Option Plan, the Company does not offer any long term incentive plans, share compensation plans, retirement plans, pension plans, or any other such benefit programs for NEOs.

### **Pension Disclosure**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year (February 28, 2017).

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders	500,000 <sup>(1)</sup>	\$0.53	2,891,058
Equity compensation plans not approved by securityholders	0	0	0
<b>Total</b>	<b>500,000<sup>(1)</sup></b>	<b>\$0.53</b>	<b>2,891,058</b>

**NOTES:**

- (1) Represents the Stock Option Plan of the Company. As at February 28, 2017, the Option Plan reserved Common Shares equal to a maximum of 10% of the issued and outstanding Common Shares for issue pursuant to the Option Plan. Based on the issued and outstanding of 33,910,578 as at February 28, 2017 (pre-consolidation)

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at June 21, 2017 (record date), there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company which is owing to the Company or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company; or
- (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company,

in relation to a securities purchase program or other program.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Except as set out herein, no person who has been a Director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a Director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of Directors.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as disclosed below, no informed person of the Company, proposed director of the Company or any associate or affiliate of any informed person or proposed director of the Company has had any material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company.

"Informed person" means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

During the most recently completed financial year, the Company entered into the following transactions with Informed Persons:

- (a) During the year ended February 28, 2017, the Company incurred consulting fees of \$177,500 (2016 - \$7,500) with companies related by a common director and a former common director. These transactions are in the normal course of operations.
- (b) As at February 28, 2017, \$277,675 (2016 - \$429,510) was owing to directors and companies related with common directors.
- (c) During the year ended February 28, 2017, the Company incurred promotional and marketing fees of \$53,425 (2016 - \$nil) with a company related by a former common director. These transactions are in the normal course of operations.
- (d) During the year ended February 28, 2017, the Company incurred professional fees of \$59,000 (2016 - \$nil) by a company related by a CFO. These transactions are in the normal course of operations.
- (e) During the year ended February 28, 2017, the Company settled an outstanding debt of \$42,402 to a former officer and director of the Company by transferring the right and title of 1,000,000 Westhaven common shares valued at cost of \$60,000 (refer to note 4 to the Company's annual financial statements filed on SEDAR at [www.sedar.com](http://www.sedar.com)).

## APPOINTMENT OF AUDITOR

Smythe LLP, Chartered Professional Accountants, are the auditors of the Company. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Smythe LLP, Chartered Professional Accountants, of Vancouver, BC as the auditors of the Company to hold office for the ensuing year.

**Management recommends shareholders vote for the appointment of Smythe LLP, Chartered Professional Accountants, as the Company's auditors for the fiscal year ending February 28, 2017, at the remuneration to be fixed by the board of directors.**

## MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the Directors or executive officers of the Company.

## CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and, therefore, these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

### **Independence of Members of Board**

The Company's Board currently consists of four (4) Directors, two of whom are independent based upon the tests for independence set forth in National Instrument 52-110 ("NI 52-110"). Messrs. Thomas Yingling and Binny Jassal are not independent as they are officers of the Company. Messrs. Charn Deol and Ian Graham are independent.

### **Management Supervision by Board**

The operations of the Company do not support a large Board of Directors and the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent Directors are however able to meet at any time without any members of management including the non-independent Directors being present. Further, supervision is performed through the audit committee which is composed of a majority of independent Directors who meet with the Company's auditors without management being in attendance. The independent Directors also have access to the Company's legal counsel and its officers.

### **Risk Management**

The Board of Directors is responsible for adoption of a strategic planning process, identification of principal risks and implementing risk management systems, succession planning and the continuous disclosure requirements of the Company under applicable securities laws and regulations.

### **Participation of Directors in Other Reporting Issuers**

The participation of the Directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

### **Orientation and Continuing Education**

While the Company does not have formal orientation and training programs, new Board members are provided with:

1. information respecting the functioning of the Board of Directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
3. access to management and technical experts and consultants; and
4. a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to Shareholders. The Board has recently adopted a Code of Conduct and has instructed its management and employees to abide by the Code.

### **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the Company's industry are consulted for possible candidates.

### **Compensation of Directors and the CEO**

The current independent Directors are Charn Deol and Ian Graham. These Directors have the responsibility for determining compensation for the Directors and senior management.

To determine compensation payable, the independent Directors review compensation paid for Directors and CEOs of companies of similar size and stage of development in the mineral exploration industry and determine an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the Directors and senior management while taking into account the financial and other resources of the Company. In setting the compensation the independent Directors annually review the performance of the CEO in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives.

### **Board Committees**

As the Directors are actively involved in the operations of the Company and the size of the Company's operations does not warrant a larger board of Directors, the Board has determined that additional committees beyond the audit committee and corporate governance committee are not necessary at this stage of the Company's development. The Audit Committee Charter is attached hereto as Schedule "B" and the Communications and Corporate Disclosure Policy is attached hereto as Schedule "C".

### **Assessments**

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual Directors and each of its committees. To assist in its review, the Board conducts informal surveys of its Directors.

### **Nomination and Assessment**

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and CEO. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

### **Expectations of Management**

The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## **AUDIT COMMITTEE**

The audit committee has various responsibilities as set forth in National Instrument 52-110 ("NI 52-110").

### **The Audit Committee's Charter**

The Company's Audit Committee (the "Committee") is governed by an audit committee charter, the text of which is attached as Schedule "B" to this Information Circular.

### Composition of the Audit Committee

The following are the current members of the Committee:

Thomas Yingling	Not Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Charn Deol	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Ian Graham	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

**NOTES:**

(1) As defined by NI 52-110

### Audit Committee Member Education and Experience

*Thomas Yingling* - Thomas Yingling is a successful seasoned venture capitalist who benefits from over 24 years' experience in running resource based public companies. Mr. Yingling has served for over 24 years as President of Brahma Communications Corp., an investment consulting firm that specializes in corporate finance, investor relations and strategic corporate planning for publicly traded companies.

*Charn Deol* – Charn Deol currently sits on the audit committee of two other publicly listed companies (Matica Enterprises Inc. and Mag One Products Inc.) and has in the past decade served on the audit committee of numerous public companies. Over the last four decades of being in business in both the private and public sector Mr. Deol has had to review and complete numerous balance sheets and income statements and corporate tax forms.

*Ian Graham* –Geologist. Mr. Graham is formerly Chief Geologist with Rio Tinto Exploration from March 2006 until January 2009 and also consults to Western Potash Corp. as Evaluation and Project Development. Mr. Graham is a director at Montan Mining Corp, CMC Metals Ltd., Cache Exploration Inc., Commerce Resources Corp., Red Oak Mining Corp. and WPC Resources Inc. Mr. Graham is financially literate and is able to evaluate and understand the Company's financial statements at the current level of complexity.

### Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board of Directors.

### Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
February 28, 2017	10,000	Nil	2,500	Nil
February 28, 2016	10,000	Nil	2,800 <sup>(1)</sup>	Nil

**NOTES:**

(1) Fees charged for tax compliance services.

### Exemption in Section 6.1 of NI 52-110

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and Chief Executive Officer. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.



## CORPORATE GOVERNANCE COMMITTEE

The members of the board's Disclosure Committee are Charn Deol and Ian Graham who are independent and Thomas Yingling, who is non-independent. The charter for the Communications and Corporate Disclosure Policy is attached hereto as Schedule "C".

The Corporate Governance Committee has been given the responsibility of developing and recommending to the Board the Company's approach to corporate governance and assists members of the Board in carrying out their duties. The Corporate Governance Committee also reviews new and modified rules and policies applicable to governance of listed corporations to assure that the Company remains in full compliance with such requirements as are applicable to the Company.

The Corporate Governance Committee's overall responsibility is to ensure that the Company meets applicable legal, regulatory and (self-regulatory) business principles and 'codes of best practice' of corporate behavior and conduct.

### PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

#### 1. Presentation and Receipt of Financial Statements

The audited financial statements of the Company for the period ended February 28, 2017, together with the auditor's report thereon will be presented to Shareholders at the Meeting. The financial statements, auditor's report and management's discussion and analysis for the financial year ended February 28, 2017 are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### 2. Adoption of New Stock Option Plan

The Board of Directors of the Company implemented a new stock option plan (the "Plan") on May 15, 2017. The Board of Directors adopted the new Plan to provide that the Company may take such steps as are considered necessary or appropriate for the withholding and/or remittance of any taxes which the Company or any subsidiary of the Company is required by any law or regulation of any governmental authority whatsoever to withhold and/or remit in connection with any option or option exercise under the Plan, including the withholding and/or remitting of all or any portion of any payment or the withholding of the issue of shares to be issued upon the exercise of any option until such time as the optionee has paid the Company or any subsidiary of the Company for any amount which the Company or subsidiary of the Company is required to withhold and/or remit with respect to such taxes. This amendment to the Plan was made as a result of certain amendments made to provisions of the *Income Tax Act* (Canada) relating to withholding and remittance of taxes in connection with an exercise of stock options.

The purpose of the Plan is to allow the Company to grant options to Directors, officers, employees and consultants, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to ten years as determined by the Board of Directors of the Company and are required to have an exercise price no less than the closing market price of the Company's shares prevailing on the day that the option is granted less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the TSX Venture Exchange. It is the Company's practice to grant options at market price without any discount. Pursuant to the Plan, the Board of Directors may from time to time authorize the issue of options to Directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Plan is in the form of a rolling stock option plan reserving for issuance upon the exercise of options granted pursuant to the Plan a maximum of 10% of the issued and outstanding shares of the Company at any time, less any shares required to be reserved with respect to options granted by the Company prior to the implementation of the Plan. A summary of some of the additional provisions of the Plan follows:

As of the date hereof, there is an aggregate of 1,260,000 stock options outstanding under the Plan, which is equal to 9.7%<sup>(1)</sup> of the current issued share capital of the Company, leaving a total of 33,496 options available for grant under the Stock Option Plan.

The following information is intended as a brief description of the Plan and is qualified in its entirety by the full text of the Plan, a copy of which is attached as Schedule "D" to this Information Circular.

1. The Board shall establish the exercise price at the time each option is granted, and the exercise price will not be less than the minimum prevailing price permitted by the TSX Venture Exchange Policies.
2. All options granted under the Stock Option Plan may not have an expiry date exceeding 10 years from the date on which the option is granted.
3. Options granted to any one individual in any 12 month period cannot exceed more than 5% of the issued Shares of the Company.

#### NOTES:

- (1) Based on the issued and outstanding as of June 21, 2017 (Record Date) of 12,934,957

4. Options granted to Insiders as a group in any 12-month period cannot exceed 10% of the total number of issued Shares of the Company.
5. Options granted to any one consultant in any 12 month period cannot exceed more than 2% of the issued Shares of the Company.
6. Options granted to all persons, in aggregate, conducting investor relations activities in any 12-month period cannot exceed more than 2% of the issued Shares of the Company.
7. Options granted to optionees performing investor relations activities will vest in stages over 12 months with 20% of the options vesting on the date of grant and 20% each three months thereafter.
8. If a director, employee or consultant of the Company is terminated for cause, then any option granted to the option holder will terminate immediately upon the option holder ceasing to be a director, employee, or consultant by reason of termination for cause.
9. If an option holder ceases to be a director, employee or consultant of the Company (other than by reason of death, disability or termination of services for cause), as the case may be, then any option granted to the option holder that had vested and was exercisable on the date of termination will expire on the earlier of the expiry date and the date that is 90 days following the date that the option holder ceases to be a director, employee or service provider of the Company.
10. If the engagement of an option holder engaged in investor relations activities as a consultant is terminated for any reason other than cause, disability or death, any option granted to such option holder that was exercisable and had vested on the date of termination will be exercisable until the earlier of the expiry date and the date that is 30 days after the effective date of the option holder ceasing to be a consultant.
11. If an option holder ceases to be a director, employee or consultant as a result of death or disability, then any option granted to the option holder that had vested and was exercisable on the date of death or disability shall be exercisable until the earlier of the expiry date and 365 days after the date of death or disability.
12. Stock options granted to directors, employees or consultants will vest when granted unless determined by the Board on a case by case basis, other than options granted to consultants performing investor relations activities, which will vest in stages over 12 months with 20% of the options vesting on the date of grant and 20% each three months thereafter.
13. The Stock Option Plan will be administered by the Board who will have the full authority and sole discretion to grant options under the Stock Option Plan to any eligible party, including themselves.
14. Options granted under the Stock Option Plan shall not be assignable or transferable by an option holder.
15. The Board may from time to time, subject to regulatory or Shareholder approval, if required under the policies of the TSX Venture Exchange, amend or revise the terms of the Stock Option Plan.

The Plan provides that other terms and conditions may be attached to a particular stock option at the discretion of the Board.

At the Meeting, Shareholders will be asked to approve the following ordinary resolution (the "Stock Option Plan Resolution"), which must be approved by at least a majority of the votes cast by Shareholders represented in person or by proxy at the Meeting who vote in respect of the Stock Option Plan Resolution:

"BE IT RESOLVED, as an ordinary resolution of the Shareholders of the Company, that:

1. The Company does hereby approve the adoption of the Stock Option Plan (the "Stock Option Plan") as set forth in the Information Circular dated June 21, 2017 attached as Schedule "D", including the reservation for issuance under the Stock Option Plan at any time of a maximum of 10% of the issued common shares of the Company, be and is hereby ratified, confirmed and approved, subject to the acceptance of the Stock Option Plan by the TSX Venture Exchange (the "TSXV");
2. The Board be authorized in its absolute discretion to administer the Stock Option Plan and amend or modify the Stock Option Plan in accordance with its terms and conditions and with the policies of the TSXV; and
3. Any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds,

documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing resolutions, including, without limitation, making any changes to the Stock Option Plan required by the TSXV or applicable securities regulatory authorities and to complete all transactions in connection with the administration of the Stock Option Plan.”

It is the intention of the Designated Persons named in the enclosed form of proxy, if not expressly directed otherwise in such form of proxy, to vote such proxy FOR the Stock Option Plan Resolution.

Management of the Company recommends that Shareholders vote in favour of the Stock Option Plan Resolution.

**3. Approve the Advance Notice Policy and Approval to the Alteration to Articles to Incorporate Advance Notice Provisions**

*Background*

On March 15, 2017, the directors of the Company adopted an advance notice policy (the “Advance Notice Policy”) with immediate effect. As set forth below, the directors of the Company are proposing that the Articles of the Company be amended to include certain advance notice provision (the “Advance Notice Provisions”) which are similar in substance the Advance Notice Policy, which will cease to be effective following the Meeting.

The Advance Notice Provisions will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. The full text of the proposed alteration of the Articles to include the Advance Notice Provision is set out in Appendix “A” to this Information Circular.

*Purpose of the Advance Notice Provisions*

The purpose of the Advance Notice Provisions is to provide shareholders, directors and management of the Company with direction on the procedure for shareholder nomination of directors. The Advance Notice Provisions are the framework by which the Company seeks to fix a deadline by which holders of record of common shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

*Effect of the Advance Notice Provisions*

Subject only to the *Business Corporations Act* (British Columbia) (the “BCBCA”) and the Articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the BCBCA, or a requisition of the shareholders made in accordance with the provisions of the BCBCA; or (c) by any person (a “Nominating Shareholder”): (A) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder’s notice to the Secretary of the Company must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date (the Notice Date) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder is to be made not later than the close of business on the tenth (10th) day after the Notice Date in respect of such meeting; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

To be in proper written form, a Nominating Shareholder’s notice to the Secretary of the Company must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and

residential address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the BCBCA and Applicable Securities Laws (as defined below). The Company may require any proposed nominee to furnish such other information as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Provisions; provided, however, that nothing in the Advance Notice Provisions shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the BCBCA. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of the Advance Notice Provisions: (a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

Notwithstanding any other provision of the Advance Notice Provisions, notice given to the Secretary of the Company pursuant to the Advance Notice Provision may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in the Advance Notice Provisions.

#### *Shareholder Confirmation*

Under the Articles and the BCBCA, the Company's governing statute, the alteration of the Company's Articles requires the approval by at least two-thirds of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Company by a special resolution. Accordingly, the Company's shareholders will be asked to consider, and if thought appropriate, to pass, with or without amendment, a special resolution as follows:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Advance Notice Policy, as set forth in Schedule "A" to the Information Circular dated June 21, 2017, as approved by the board of directors on March 15, 2017, be and is hereby ratified, approved and confirmed;
2. the Articles of the Company be altered by adding the text substantially as set forth in Appendix "A" to the Information Circular dated June 21, 2017 as Section 11.24 of the Articles;
3. the amendment of the Articles of the Company to include the Advance Notice Provision be and is hereby authorized and approved;
4. the Company be authorized to revoke this special resolution and abandon or terminate the alteration of the Articles if the Board deems it appropriate and in the best interests of the Company to do so without further confirmation, ratification or approval of the shareholders; and
5. any one director or officer of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including the

Notice of Alteration, treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution.”

The advance notice resolution must be approved by at least two-thirds (66.67%) of the votes cast by shareholders who, being entitled to do so, vote in person or by proxy at the Meeting in respect of the advance notice resolution.

The form of the advance notice resolution set forth above is subject to such amendments as management may propose at the Meeting, but which do not materially affect the substance of the advance notice resolution.

Shareholders may vote FOR or AGAINST the above resolution. **IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY AT THE MEETING FOR THE APPROVAL OF THE FOREGOING RESOLUTION, UNLESS THE SHAREHOLDER HAS OTHERWISE DIRECTED IN HIS PROXY.**

The amendments to the Articles shall have effect immediately on the date and time the amendment to the Articles are deposited for filing in the Company’s records office.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at 14th Floor, 1111 West Georgia Street, Vancouver, BC, V6E 4M3 to request copies of the Company’s financial statements and MD&A.

Financial information is provided in the Company’s comparative financial statements and MD&A for its most recently completed financial year which are filed on SEDAR.

#### **OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

#### **APPROVAL OF THE BOARD**

The contents of this Information Circular have been approved, and the delivery of it to each Shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized, by the Board.

DATED this 21<sup>st</sup> day of June, 2017.

#### **BY ORDER OF THE BOARD OF DIRECTORS**

*Signed: “Thomas Yingling”*

THOMAS YINGLING,,  
President and Chief Executive Officer

**SCHEDULE "A"**  
**ADVANCE NOTICE POLICY - BYLAW**  
(Adopted by the Board of Directors with immediate effect on March 15, 2017)

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**INTRODUCTION**

The Corporation is committed to: (i) facilitating an orderly and efficient annual general or, where the need arises, special general meeting of its shareholders, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information regarding all director nominees; and (iii) allowing shareholders to register an informed vote after having been afforded reasonable time for appropriate deliberation.

The purpose of this Advance Notice Policy (the "Policy") is to provide shareholders, directors and management of the Corporation with a clear framework for the nomination of directors of the Corporation by holders of record of common shares of the Corporation ("shareholders"). This Policy fixes a deadline by which a shareholder wishing to nominate an individual for election as director must submit to the Corporation prior to any annual or special meeting of shareholders the name and certain information on any proposed nominee in order for such person to be eligible for election at any annual or special meeting of shareholders.

The Board of Directors of the Corporation (the "Board") have concluded that this Policy is in the best interests of the Corporation, its shareholders and other stakeholders. This Policy will be subject to at least an annual review by the Board and may be updated to reflect changes as required by law or so as to meet prevailing practices and standards from time to time.

**NOMINATIONS OF DIRECTORS**

1. Only individuals who are qualified to act as a director under the *Business Corporations Act* (British Columbia) (the "Act") and the Articles of the Corporation and who are nominated in accordance with this Policy will be eligible to stand for election as directors of the Corporation at a general meeting. Nominations of individuals for election to the Board may be made at any annual general meeting of shareholders, or at any special general meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors and such nomination or proposed nomination is made:
  - (a) by or at the direction of the Board, including pursuant to a notice of a general meeting given in accordance with applicable law;
  - (b) pursuant to a proposal made in accordance with Part 5, Division 7 of the Act or a requisition made in accordance with Section 167 of the Act; or
  - (c) by any person (a "Nominating Shareholder"): (i) who, as of the date upon which the Nominating Shareholder gives a notice of the name and certain other information concerning the proposed nominee, as provided for in Section 3 of this Policy (a "Notice of Nominee") and who at the close of business on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more common shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the procedures set forth in Section 3 of this Policy.
2. In addition to any other requirements under applicable laws, for a nomination to be validly made by a Nominating Shareholder, the Nominating Shareholder must have given written notice thereof in accordance with this Policy that is both timely (at a minimum, in accordance with paragraph 3 below) and in proper written form (in accordance with paragraph 4 below).
3. To be timely, a Notice of Nominee sent by a Nominating Shareholder must be:
  - (a) addressed and sent to the Secretary or Chairman of the Corporation at the principal executive offices of the Corporation;
  - (b) in the case of an annual general meeting of shareholders, not less than thirty (30) days nor more than sixty five (65) days prior to the date of the annual general meeting of shareholders, provided however, that in the event that the annual general meeting is proposed to be held on a date that is less than fifty (50) days after the date (the "Notice Date") on which the first public announcement (as defined below) of the date of the annual general meeting was given, notice by the Nominating Shareholder must be sent not later than the close of business on the tenth (10th) day following the Notice Date; and
  - (c) in the case of a special general meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of

business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special general meeting of shareholders was given.

The time periods for the giving of a Notice of Nominee by a Nominating Shareholder shall in all cases be determined based on the date of the applicable annual general meeting or special general meeting of shareholders as first publicly announced, and unless otherwise directed by the Board, any adjournment, rescheduling or postponement of a meeting of shareholders, or the reconvening of any adjourned, rescheduled or postponed meeting or the public announcement thereof, will not result in the commencement of a new time period for the giving of a Notice of Nominee by a Nominating Shareholder pursuant to this Policy.

4. To be in proper written form, a Notice of Nominee sent by a Nominating Shareholder must set forth:
  - (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the present principal occupation or employment of the person and the principal occupation or employment for at least the five years preceding the date of the Notice of Nominee; (C) the citizenship of such person; (D) the class or series and number of shares of the Corporation which the proposed nominee beneficially owns or over which the proposed nominee exercises direction or control as of the later of the date of such Notice of Nominee or the record date for the meeting of shareholders (if such date shall then have been publicly announced and shall have occurred); and (E) any other information relating to the nominee that would be required to be disclosed in a dissident's information circular in connection with a solicitation of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below), regardless of whether the nominee or Nominating Shareholder is required to prepare or file an Information Circular; and
  - (b) as to the Nominating Shareholder, a description of any contract, arrangement or understanding pursuant to which such Nominating Shareholder has agreed to vote or direct the voting of any shares of the Corporation, it beneficially owns or exercises control or direction over, and any other information relating to such Nominating Shareholder that would be required to be disclosed in a dissident's information circular in connection with a solicitation of proxies by the Nominating Shareholder for election of directors pursuant to the Act and Applicable Securities Laws, regardless of whether the nominee or Nominating Shareholder is required to prepare or file an Information Circular.

The Corporation may require the Nominating Shareholder or any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation, that would reasonably be expected to be material with respect to the independence or qualifications of such proposed nominee or that may otherwise be necessary in order for shareholders to be able to form a reasonable judgment on whether to vote for, against or withhold their vote with respect of such proposed nominee.

5. The Chairman of any general meeting shall have the power and duty to determine whether any nomination made at that meeting was made in accordance with this Policy and, if any proposed nomination is not in compliance with this Policy, the Chairman may declare that such nomination was not validly made, may be disregarded and not submitted to a vote at such meeting.
6. For purposes of this Policy:
  - (a) "public announcement" means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by or on behalf of the Corporation under its profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and
  - (b) "Applicable Securities Laws" means the applicable securities laws of each province and territory of Canada governing the calling, holding or conduct of any general meeting of the Corporation and the rules, regulations, forms, instruments, policies and notices of the securities regulatory authority of each such relevant province or territory of Canada and the bylaws, rules and policies of any stock exchange or trading and quotation service on which the shares of the Corporation may be listed or traded.
7. Notwithstanding any other provision of this Policy, notice given to the Corporation pursuant to this Policy may only be given by personal delivery or facsimile transmission and shall be deemed to have been given at the time of personal delivery to the Secretary of the Corporation at the address of the principal executive offices of the Corporation, or if sent

by facsimile transmission at the time of confirmed transmission, provided however, that if transmitted after 5:00 p.m. (Vancouver time) then such notice shall be deemed to have been given on the next day that is a business day.

8. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Policy.

**GOVERNING LAW**

This Policy shall be interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.

**EFFECTIVE DATE**

This Policy was approved and adopted by the Board on March 15, 2017 and is and shall be effective and in full force and effect in accordance with its terms and conditions from and after such date.



**APPENDIX “A”  
ALTERATION TO ARTICLES**

**Section 11.24 Nomination of Directors**

- (a) Only individuals who are qualified to act as a director under the *Business Corporations Act* (British Columbia) (the “Act”) and the Articles of the Corporation and who are nominated in accordance with this Policy will be eligible to stand for election as directors of the Corporation at a general meeting. Nominations of individuals for election to the Board may be made at any annual general meeting of shareholders, or at any special general meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors and such nomination or proposed nomination is made::
- (i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
  - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act; or
  - (iii) by any person (a “Nominating Shareholder”): (A) who, at the close of business on the date of the giving of the notice provided for below in this section 11.24 and on the record date for notice of such meeting of shareholders, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in this section 11.24.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the secretary of the Company at the principal executive offices of the Company in accordance with section 11.24(g).
- (c) To be timely, a Nominating Shareholder’s notice to the secretary of the Company must be made:
- (i) in the case of an annual meeting of shareholders (which includes an annual and special meeting), not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the “Notice Date”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
  - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this paragraph (c).

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

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

- (e) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this section 11.24 and applicable law; provided, however, that nothing in this section 11.24 shall preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Business Corporations Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any nomination is not in compliance with such foregoing provisions, to declare that such nomination to be defective and that it shall be disregarded.
- (f) For the purposes of this section 11.24:
  - (i) “public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and
  - (ii) “Applicable Securities Laws” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada, and all applicable securities laws of the United States.
- (g) Notwithstanding any other provision of this By-Law, notice given to the secretary of the Company pursuant to this section 11.24 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a Saturday or a holiday or later than 5:00 p.m. (Vancouver time) on a day which is a Saturday or a holiday, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is not a Saturday or a holiday.
- (h) Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this section.

**SCHEDULE "B"**  
**AUDIT COMMITTEE CHARTER**

**I. Mandate**

The primary function of the audit committee (the "Committee") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

**II. Composition**

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual Shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

**III. Meetings**

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

**IV. Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

**Documents/Reports Review**

1. Review and update this Charter annually.
2. Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

**External Auditors**

3. Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the Shareholders of the Company.
4. Obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1.

5. Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
6. Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors.
7. Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for Shareholder approval.
8. At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
9. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
10. Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
11. Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services; and
  - iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

#### **Financial Reporting Processes**

12. In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
13. Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
14. Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
15. Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
16. Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
17. Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
18. Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
19. Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
20. Review certification process.

21. Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**Risk Management**

22. To review, at least annually, and more frequently if necessary, the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks).
23. To inquire of management and the independent auditor about significant business, political, financial and control risks or exposure to such risk.
24. To request the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.
25. To assess the effectiveness of the over-all process for identifying principal business risks and report thereon to the Board.

**Other**

26. Review any related-party transactions.

**V. Annual Work Plan**

	Spring	Fall
Review audit plan and year-end statements template	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review accounting systems and procedures	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review auditors' letter of recommendation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review financial and accounting human resources	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review Committee's charter and membership	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review and recommend year-end financial statements	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review MD&A	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review external auditors' work, independence and fees	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Recommend auditors for the ensuing year	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Review Risk Management Performance	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Review and reassess the adequacy of the Code of Ethics for Financial Reporting Officers	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Review any proposed prospectus filings or similar filings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## **SCHEDULE “C”**

### **Communications and Corporate Disclosure Policy**

#### **GENERAL**

The Board has adopted a communications and corporate disclosure policy which covers communication with the press, analysts and shareholders; release of corporate information in news releases and other corporate disclosure documents; disclosure of technical information; and maintenance and disclosure of information on the Company's website. The Company expects strict adherence of its directors, officers and employees with insider trading restrictions, and requires confidentiality clauses in employment agreements so as to protect the confidentiality of Company information.

**The Board has instructed management to annually provide a copy of this policy to each of the Company's directors, officers and employees.** This policy is administered and reviewed annually by the Corporate Governance Committee, along with recommendations for any required changes made to the Board.

If you have any questions regarding the contents of this disclosure policy and how it applies to you or you are unsure whether or not you may trade in a given circumstance, you should contact the Chief Financial Officer or President and Chief Executive Officer for assistance.

#### **OBJECTIVE AND SCOPE**

The objective of this disclosure policy is to ensure that communications to the investing public about the Company is:

- (a) timely, complete, factual and accurate; and
- (b) broadly disseminated in accordance with all applicable legal and regulatory requirements.

This disclosure policy confirms in writing our existing disclosure policies and practices. Its goal is to raise awareness of the Company's approach to disclosure among the board of directors, senior management, employees and consultants.

This disclosure policy extends to all employees, consultants, contractors and the boards of directors of the Company, its subsidiaries and limited partnerships and those individuals authorized to speak on behalf of the Company, its subsidiaries or limited partnerships. It covers disclosures in documents filed (with the securities regulators) and written statements made in the Company's annual and quarterly reports, news releases, letters to shareholders, presentations by senior management and information contained on the Company's Website and other electronic communications. It extends to oral statements made in meetings and telephone conversations with analysts and investors, interviews with the media as well as speeches, press conferences and conference calls.

#### **DISCLOSURE POLICY RESPONSIBILITY**

The Corporate Governance Committee is responsible for overseeing the Company's disclosure practices (the "Committee"). The Committee will set standards for a preliminary assessment of materiality and will determine when developments justify public disclosure. The Committee will meet as conditions require and minutes of the Committee's meetings will be maintained and available to the Company's Board of Directors. It is essential that the Committee be kept fully apprised of all pending material developments relating to the Corporation in order to evaluate and discuss those events and to determine the appropriateness and timing for public release of information. If it is deemed that the information should remain confidential, the Committee will determine how that inside information will be controlled and whether any regulatory filings on a confidential basis need to be made.

The Committee will review and update, if necessary, this disclosure policy on an annual basis or as needed to ensure compliance with changing regulatory requirements. The Committee will report to the board of directors as requested.

#### **DISCLOSURE OF MATERIAL INFORMATION**

Material information is information relating to the business, operations or securities of the Corporation that would reasonably be expected to significantly affect the value or market price of the issuer or a security of the issuer.<sup>1</sup>

Securities legislation requires that all material information must be disclosed to the public by way of news release as soon as practicable.<sup>2</sup> In complying with the requirement to disclose forthwith all material information under applicable laws and stock exchange rules, the Corporation will adhere to the following basic disclosure principles:

1. Material information will be publicly disclosed immediately via news release. Examples of potentially material information include, but is not limited to, the following:

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<sup>1</sup> This definition is contained in the *Securities Act* (British Columbia), R.S.B.C. 1996, Chapter 418.

<sup>2</sup> Sections 85 of *Securities Act* (British Columbia)

#### Changes in Corporate Structure

- changes in share ownership that may affect control of the company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

#### *Changes in Capital Structure*

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- changes in a company's dividend payments or policies
- the possible initiation of a proxy fight
- material modifications to rights of security holders

#### *Changes in Financial Results*

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the company's assets
- any material change in the company's accounting policy

#### *Changes in Business and Operations*

- any development that affects the company's resources, technology, products or markets
- a significant change in capital investment plans or corporate objectives
- major labour disputes or disputes with a major contractors or suppliers
- significant new contracts, products, patents, or services or significant losses of contracts or business
- significant discoveries by resource companies
- changes to the board of directors or executive management, including the departure of the company's President and CEO, CFO, or Chief Operating Officer (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the company's securities or their movement from one quotation system or exchange to another
- 

#### *Acquisitions and Dispositions*

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company

#### *Changes in Credit Arrangement*

- the borrowing or lending of a significant amount of money
- any mortgaging or encumbering of the company's assets
- defaults under debt obligations, agreements to restructure debt, or planned enforcement procedures by a bank or any other creditors
- changes in rating agency decisions
- significant new credit arrangements

An immediate statement containing the major points of the material information is the first objective. Additional details may follow in a further news release. When several significant actions are resolved or occur at one time, disclosure of all should be released immediately so that the full implications may be assessed by the public.

Certain developments will require disclosure at the proposal stage or before an event actually occurs if the proposal gives rise to material information at that stage. Announcement of an intention to proceed with a transaction or activity giving rise to material information should be made when a decision has been made to proceed by the board of directors or senior management with the expectation of concurrence from the board of directors. Updates should be announced on a regular basis unless the original announcement indicated that an update would be disclosed on a specific date. In addition, prompt disclosure is required of any material change to the proposed transaction or to the previously disclosed information.

While it is the responsibility of the Committee to determine what information is material in the context of the Company's business, the Company may consult with market surveillance of the stock exchange on which the Company's shares are traded when in doubt as to whether disclosure should be made.

2. In certain circumstances, the Committee may determine that such disclosure may be unduly detrimental to the Company (for example if release of the information would prejudice negotiations in a corporate transaction), in which case the information will be immediately brought to the attention of the board of directors and will be kept confidential until the Committee determines it is appropriate to publicly disclose. (In such circumstances, the Committee will cause a confidential material change report to be filed with the applicable securities regulators, and will periodically (at least every 5 days) review its decision to keep the information confidential (also see "Rumours"). The Committee will only withhold material information from public disclosure where there is a reasonable basis to do so and when the basis for maintaining confidentiality ceases to exist, shall promptly disclose such material information to the public.

At any time when material information is withheld from the public, the Company is under a duty to take precautions to keep such information completely confidential. Such information should not be disclosed to any officers, consultants, employees, contractors or advisors of the Company except in the necessary course of business. The Company shall also make sure that there is no selective disclosure of confidential information to third parties. The Company should ensure that when such information is disclosed in the necessary course of business all recipients are aware that it must be kept confidential. If the material information being treated as confidential becomes disclosed in some manner, the Company shall promptly disclose the material information publicly in the proper manner.

3. Disclosure must include any information, the omission of which would make the rest of the disclosure misleading (half truths are misleading).
4. Unfavourable material information must be disclosed as promptly and completely as favourable information.

The guiding principle should be to communicate clearly and accurately the nature of the information, without including unnecessary details, exaggerated reports or editorial commentary designed to colour the investment community's perception of the announcement one way or the other.

5. No selective disclosure. Previously undisclosed material information must not be disclosed to selected individuals (for example, in an interview with an analyst or in a telephone conversation with an investor). If previously undisclosed material information has been inadvertently disclosed to an analyst or any other person not bound by an express confidentiality obligation, such information must be broadly disclosed immediately via news release.
6. Disclosure on the Company's website alone does not constitute adequate disclosure of material information.
7. Disclosure must be corrected immediately if the Company subsequently learns that earlier disclosure by the Company contained a material error at the time it was given.

## **TRADING RESTRICTIONS AND BLACKOUT PERIODS**

It is illegal for anyone to purchase or sell securities of any public company with knowledge of material information affecting that company that has not been publicly disclosed.<sup>3</sup> Except in the necessary course of business, it is also illegal for anyone to inform any other person of material non-public information. Therefore, insiders and employees with knowledge of confidential or material information about the Company or counter-parties in negotiations of material potential transactions, are prohibited from trading shares in the Company or any counter-party until the information has been fully disclosed and a reasonable period of time has passed for the information to be widely disseminated.

Trading blackout periods will apply to those insiders or employees with access to material undisclosed information during periods when financial statements are being prepared but results have not yet been publicly disclosed.

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<sup>3</sup> Section 57.2, Securities Act (British Columbia), S.B.C. 2004, Chapter 43



Blackout periods may be prescribed from time to time by the Committee as a result of special circumstances relating to the Company pursuant to which insiders of the Company would be precluded from trading in securities of the Company. All parties with knowledge of such special circumstances should be covered by the blackout. Such parties may include external advisors such as legal counsel, investment bankers and counter-parties in negotiations of material potential transactions. The CEO and or CFO will inform all such parties of the imposition and the subsequent termination of each blackout period.

### **MAINTAINING CONFIDENTIALITY**

Any insider or employee privy to confidential information is prohibited from communicating such information to anyone else, unless it is necessary to do so in the course of business. Efforts will be made to limit access to such confidential information to only those who need to know the information and such persons will be advised that the information is to be kept confidential.

Communication by e-mail leaves a physical track of its passage that may be subject to later decryption attempts. All confidential information being transmitted over the Internet must be secured by the strongest encryption methods available. Where possible, employees or insiders should avoid using e-mail to transmit confidential information.

Outside parties privy to undisclosed material information concerning the Company will be told that they must not divulge such information to anyone else, other than in the necessary course of business. Such outside parties will confirm their commitment to non-disclosure in the form of a written confidentiality agreement.

In order to prevent the misuse or inadvertent disclosure of material information, the procedures set forth below should be observed at all times:

1. Documents and files containing confidential information should be kept in a safe place to which access is restricted to individuals who "need to know" that information in the necessary course of business and code names should be used if necessary.
2. Confidential matters should not be discussed in places where the discussion may be overheard, such as elevators, hallways, restaurants, airplanes or taxis.
3. Confidential matters should not be discussed on wireless telephones or other wireless devices.
4. Confidential documents should not be read or displayed in public places and should not be discarded where others can retrieve them.
5. Employees must ensure they maintain the confidentiality of information in their possession outside of the office as well as inside the office.
6. Transmission of documents by electronic means, such as by fax or directly from one computer to another, should be made only where it is reasonable to believe that the transmission can be made and received under secure conditions.
7. Unnecessary copying of confidential documents should be avoided and documents containing confidential information should be promptly removed from conference rooms and work areas after meetings have concluded. Extra copies of confidential documents should be shredded or otherwise destroyed.
8. Access to confidential electronic data should be restricted through the use of passwords.

### **DESIGNATED SPOKESPERSONS**

The Company designates a limited number of spokespersons responsible for communication with the investment community, regulators or the media. The President and CEO, the Chairman and, if appointed, the communications officer shall be the official spokespersons for the Company. Individuals holding these offices may, from time to time, designate others within the Company to speak on behalf of the Company as backups or to respond to specific inquiries.

Employees who are not authorized spokespersons must not respond under any circumstances to inquiries from the investment community, the media or others, unless specifically asked to do so by an authorized spokesperson. All such inquiries shall be referred to the President and CEO or communications officer.

### **NEWS RELEASES**

Once the Committee determines that a development is material, it will authorize the issuance of a news release, unless the Committee determines that such developments must remain confidential for the time being, in which case appropriate confidential

filings will be made and control of that inside information is instituted. Should a material statement inadvertently be made in a selective forum, the Company will immediately issue a news release in order to fully disclose that information.

**If the stock exchange(s) upon which shares of the Company are listed is open for trading at the time of a proposed announcement, prior notice of a news release announcing material information must be provided to the market surveillance department to enable a trading halt, if deemed necessary by the stock exchange(s). If a news release announcing material information is issued outside of trading hours, market surveillance must be notified before the market opens.**

Annual and interim financial results will be publicly released as soon as practicable following board approval or review.

News releases will be disseminated through an approved news wire service that provides simultaneous national and/or international distribution. News releases will be transmitted to all stock exchange members, relevant regulatory bodies, major business wires, national financial media and, at the option of the Company, the local media in areas where the Company has its headquarters or operations.

News releases will be posted on the Company's website immediately after release over the news wire. The news release page of the website shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent news releases.

Where technical information (such as exploration results) is being disseminated through a news release, the news release will be reviewed by an appropriate expert to ensure the news release contains accurate information and does not omit any material information. Technical information will be disseminated by the Company in accordance with securities regulations including National Instrument 43-101 Standards for Disclosure of Mineral Projects.

#### **CONFERENCE CALLS**

Conference calls may be held for quarterly earnings and major corporate developments, whereby discussion of key aspects is accessible simultaneously to all interested parties, some as participants by telephone and others in a listen-only mode by telephone or via a web-cast over the internet. The call will be preceded by a news release containing all relevant material information. At the beginning of the call, a Company spokesperson will provide appropriate cautionary language with respect to any forward-looking information and direct participants to publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties.

The Company will provide advance notice of the conference call and web-cast by issuing a news release announcing the date and time and providing information on how interested parties may access the call and web-cast. In addition, the Company may send invitations to analysts, institutional investors, the media and others invited to participate. Any non-material supplemental information provided to participants will also be posted to the Website for others to view. A tape recording of the conference call and/or an archived audio web-cast on the Internet will be made available following the call for a minimum of 30 days, for anyone interested in listening to a replay.

The Committee will hold a debriefing meeting immediately after the conference call and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company will immediately disclose such information broadly via news release.

#### **RUMOURS**

The Company generally does not comment, affirmatively or negatively, on rumours. This also applies to rumours on the internet. The Company's spokespersons will respond consistently to those rumours, saying, "It is our policy not to comment on market rumours or speculation." Should the stock exchange request that the Company make a definitive statement in response to a market rumour that is causing significant volatility in the stock, the Committee will consider the matter and decide whether to make a policy exception.

#### **CONTACTS WITH ANALYSTS, INVESTORS AND THE MEDIA**

Disclosure in individual or group meetings does not constitute adequate disclosure of information that is considered material non-public information. If the Company intends to announce material information at an analyst or shareholder meeting or a press conference or conference call, the announcement must be preceded by a news release.

The Company recognizes that meetings with analysts and significant investors are an important element of the Company's investor relations program. The Company will meet with analysts and investors on an individual or small group basis as needed and will initiate contacts or respond to analyst and investor calls in a timely, consistent and accurate fashion in accordance with this disclosure policy.

The Company will provide only non-material information through individual and group meetings, in addition to regular publicly disclosed information, recognizing that an analyst or investor may construct this information into a mosaic that could result in material information. The Company cannot alter the materiality of information by breaking down the information into smaller, non-material components.

The Company may maintain a “frequently asked questions” section on its website and will provide the same sort of detailed, non-material information to individual investors or reporters that it has provided to analysts and institutional investors.

Spokespersons will keep notes of telephone conversations with analysts and investors and where practicable more than one Company representative will be present at all individual and group meetings. A debriefing will be held after such meetings and if such debriefing uncovers selective disclosure of previously undisclosed material information, the Company will immediately take steps to ensure that a full public announcement is made. Such steps will include contacting the market surveillance of the stock exchange on which the Company’s shares are traded and requesting that trading be halted pending the issuance of a news release and pending such issuance of the news release notifying all parties who have knowledge of the information that such information is material and that it has not been generally disclosed.

### **REVIEWING ANALYST DRAFT REPORTS AND MODELS**

It is the Company’s policy to review, upon request, analysts’ draft research reports or models. The Company will review the report or model for the purpose of pointing out errors in fact based on publicly disclosed information. It is the Company’s policy, when an analyst inquires with respect to his/her estimates, to question an analyst’s assumptions if the estimate is significantly outside of the range of “Street” estimates and/or the Company’s published earnings guidance. The Company will limit its comments in responding to such inquiries to non-material information. The Company will not confirm, or attempt to influence, an analyst’s opinions or conclusions and will not express comfort with the analyst’s model and earning estimates.

In order to avoid appearing to “endorse” an analyst’s report or model, the Company will provide its comments orally or will attach a disclaimer to written comments to indicate the report was reviewed only for factual accuracy.

### **DISTRIBUTING ANALYST REPORTS**

Analyst reports are proprietary products of the analyst’s firm. Re-circulating a report by an analyst may be viewed as an endorsement by the Company of the report. For these reasons, the Company will not provide analyst reports through any means to persons outside of the Company including posting such information on its website. The Company may post on its website a complete list, regardless of the recommendation, of all the investment firms and analysts who provide research coverage on the Corporation. If provided, such list will not include links to the analysts’ or any other third party Website or publications.

### **FORWARD-LOOKING INFORMATION**

Generally, the Company should not disclose forward looking information (“FLI”) unless required by law to do so, or unless the Company believes such disclosure will enhance a reasonable investor’s investment decision, whether positively or negatively.

Should the Company determine it has a reasonable basis and elects to disclose forward-looking information in continuous disclosure documents, speeches, conference calls, etc., the following guidelines will be observed.

9. FLI, if deemed material, will be broadly disseminated via news release, in accordance with this disclosure policy.
10. The FLI will be clearly identified as forward looking.
11. The Company will identify all material assumptions and factors used in the preparation of the FLI.
12. The FLI will be accompanied by a reasonable, meaningful cautionary statement that identifies, in very specific terms, the risks, uncertainties and material factors that may cause the actual results to differ materially from those projected in the statement.
13. The FLI will be accompanied by a statement that disclaims the Company’s intention or obligation to update or revise the FLI, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past statements about current trends to be materially off target, the Company may choose to issue a news release explaining the reasons for the difference. In this case, the Company will update its guidance on the anticipated impact on revenue and earnings (or other key metrics).
14. Any oral FLI (such as those made in conference calls, analyst interviews or “road shows”) must be accompanied by a statement:
  - (a) that the statement is “forward-looking.”

- (b) that actual results may differ materially from those projected in the forward looking statement; and
- (c) that additional information concerning factors that could cause actual results to differ from those projected is contained in an identified, readily available written document (for example, one of the Company's periodic reports).

## **MANAGING EXPECTATIONS**

The Company will try to ensure, through its regular public dissemination of quantitative and qualitative information that analysts' estimates are in line with the Company's own expectations. The Company will not confirm, or attempt to influence, an analyst's opinions or conclusions and will not express comfort with analysts' models and earnings estimates.

If the Company has determined that it will be reporting results materially below or above publicly held expectations, it will disclose this information in a news release in order to enable discussion 'without risk of selective disclosure'.

## **QUIET PERIODS**

In order to avoid the potential for selective disclosure or even the perception or appearance of selective disclosure, the Company may observe a quarterly quiet period, during which the Company will not initiate or participate in any meetings or telephone contacts with analysts and investors and no earnings guidance will be provided to anyone, other than responding to unsolicited inquiries concerning factual matters. The quiet period should commence on the first day of the month following the end of a quarter and end with the issuance of a news release disclosing quarterly results.

## **DISCLOSURE RECORD**

The CFO will maintain a five year file containing all public information about the Company, including continuous disclosure documents, news releases, analysts' reports, transcripts or tape recordings of conference calls, debriefing notes, notes from meetings and telephone conversations with analysts and investors, and newspaper articles.

## **RESPONSIBILITY FOR ELECTRONIC COMMUNICATIONS (INCLUDING THE COMPANY'S WEBSITE)**

This disclosure policy also applies to electronic communications. Accordingly, officers and personnel responsible for written and oral public disclosures shall also be responsible for electronic communications. The CEO (or delegate) is ultimately responsible for updating the investor relations section of the Corporation's website and is responsible for monitoring all Company information placed on the website to ensure it is accurate, complete, up-to-date and in compliance with relevant securities laws.

Investor relations material shall be contained within a separate section of the Company's website and shall include a notice that advises the reader that the information posted was accurate at the time of posting, but may be superseded by subsequent disclosures. All data posted to the website, including text and audiovisual material, shall show the date such material was issued. Any material changes in information must be updated immediately. The CEO (or delegate) will maintain a log indicating the date that material information is posted and/or removed from the investor relations website. The minimum retention period for material corporate information on the website shall be two years.

Disclosure on the Company's website alone does not constitute adequate disclosure of information that is considered material, non-public information. Any disclosures of material information on its website will be preceded by the issuance of a news release.

The CEO (or delegate) shall also be responsible for responses to electronic inquiries. Only public information or information which could otherwise be disclosed in accordance with this disclosure policy shall be utilized in responding to electronic inquiries.

In order to ensure that no material undisclosed information is inadvertently disclosed, employees and insiders are prohibited from participating in Internet chat rooms or newsgroup discussions on matters pertaining to the Company's activities or its securities. Insiders or employees who encounter a discussion pertaining to the Company should advise the President and CEO immediately, so the discussion may be monitored.

## **LIABILITY TO INVESTORS IN THE SECONDARY MARKET**

**Newly enacted legislation now gives investors in the secondary market the right to sue any public company and key related people for making public misrepresentations about the company or for failing to make timely disclosure as required by law.**

**The legislation provides secondary market investors with limited right of action against an issuer of securities, its directors, responsible senior officers, "influential persons" (i.e., large shareholders with influence over disclosure), auditors and other responsible experts. Secondary market investors now have the right to seek limited compensation for damages suffered at**

**a time when the issuer had made, and not corrected, public disclosure (either written or oral) that contained an untrue statement of a material fact or failed to make required material disclosure.**

**Investors have the right to sue whether or not they actually relied on the misrepresentation or failure to make timely disclosure.**

**The issuer and other possible defendants would have varying defences based on the responsibility for the disclosure. For some types of disclosure, a person has a defence if that person conducted due diligence. For other types of disclosure, the person is not liable unless the plaintiff proves that the person knew about the misrepresentation, deliberately avoided acquiring knowledge or was guilty of gross misconduct in making the misrepresentation.**

In order to limit potential exposure, the Committee will conduct or cause to be conducted a reasonable investigation of the disclosure to be released such that the Committee would be satisfied that there would be no reasonable grounds to believe that the document or oral statement contains any misrepresentation. Similarly the Committee will conduct or cause to be conducted a reasonable investigation to ensure that there would be no reasonable grounds to believe that a failure to make timely disclosure would occur.

Strict adherence to the Company's disclosure policy will minimize exposure to potential liabilities under current and proposed legislation.

#### **COMMUNICATION AND ENFORCEMENT**

New directors, officers, consultants, contractors and employees will be provided with a copy of this disclosure policy and they must sign an acknowledgement as having received it and that they will comply with this Disclosure Policy. This Disclosure Policy will be circulated to all employees and insiders of the Corporation on an annual basis and whenever changes are made and as a term of their engagement, must sign an acknowledgement as having received it and that they will comply with this Business Code.

If you have any questions regarding the contents of this disclosure policy and how it applies to you or you are unsure whether or not you may trade in a given circumstance, you should contact the President and CEO, or CFO for assistance.

All employees or insiders who violate this disclosure policy may face disciplinary action up to and including termination of his or her employment or relationship with the Company without notice. The violation of this disclosure policy may also violate certain securities laws. If it appears that an employee or insider may have violated such securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

#### **EFFECTIVE DATE**

This Policy was implemented by the Board on May 15, 2017.

**SCHEDULE "D"**  
**STOCK OPTION PLAN**

**1. PURPOSE OF THE PLAN**

Unless otherwise defined, all capitalized terms are as defined below.

Berkwood Resources Ltd. (the "Company") hereby establishes a stock option plan for directors, senior officers, Employees, Management Company Employees and Consultants of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals Options to buy Shares of the Company at a price not less than the Market Price prevailing on the Grant Date less the applicable discount, if any, permitted by TSX Policies and approved by the Board.

**2. DEFINITIONS**

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Board**" means the Board of Directors of the Company.
- 2.2 "**Change of Control**" means the acquisition by any person or by any person and all Joint Actors (as defined in the Securities Act), whether directly or indirectly, of voting securities of the Company, which, when added to all other voting securities of the Company at the time held by such person or by such person and a Joint Actor, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board of Directors of the Company.
- 2.3 "**Company**" means BERKWOOD RESOURCES LTD. and its successors.
- 2.4 "**Consultant**" means a "Consultant" as defined in the TSX Policies.
- 2.5 "**Consultant Company**" means a "Consultant Company" as defined in the TSX Policies.
- 2.6 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
  - (b) acting as a director or officer of the Company or its subsidiaries.
- 2.7 "**Discounted Market Price**" of Shares means, if the Shares are listed only on the TSX Venture Exchange, the Market Price less the maximum discount permitted under the TSX Policy applicable to Options;
- 2.8 "**Distribution**" means a "Distribution" as defined in the TSX Policies.
- 2.9 "**Eligible Persons**" has the meaning given to that term in section 1 hereof.
- 2.10 "**Employee**" means an "Employee" as defined in the TSX Policies.
- 2.11 "**Exchange**" means the TSX Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.12 "**Expiry Date**" means the date set by the Board under section 3.1 of the Plan, as the last date on which an Option may be exercised.
- 2.13 "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.
- 2.14 "**Insider**" means an "Insider" as defined in the TSX Policies, other than a person who is an insider solely by virtue of being a director or senior officer of a subsidiary of the Company.
- 2.15 "**Investor Relations Activities**" means "Investor Relations Activities" as defined in the TSX Policies.
- 2.16 "**Joint Actor**" means a person acting "jointly or in concert with" another person as that phrase is interpreted in section 96 of the Securities Act.

- 2.17 **"Management Company Employee"** means a "Management Company Employee" as defined in the TSX Policies.
- 2.18 **"Market Price"** of Shares at any Grant Date means the last closing price per Share on the trading day immediately preceding the day on which the Company announces the grant of the option or, if the grant is not announced, on the Grant Date, or if the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.19 **"Option"** means an option to purchase Shares granted pursuant to this Plan.
- 2.20 **"Option Agreement"** means an agreement, in the form attached hereto as Exhibit "A", whereby the Company grants to an Optionee an Option.
- 2.21 **"Optionee"** means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- 2.22 **"Option Price"** means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 5.
- 2.23 **"Option Shares"** means the aggregate number of Shares which an Optionee may purchase under an Option.
- 2.24 **"Plan"** has the meaning given to that term in section 1 hereof.
- 2.25 **"Securities Act"** means the Securities Act, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.26 **"Shares"** means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.27 **"TSX Policies"** means the policies included in the Exchange's Corporate Finance Manual and "TSX Policy" means any one of them.
- 2.28 **"Unissued Option Shares"** means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.

### 3. GRANT OF OPTIONS

#### 3.1 Price and Term

The Board may from time to time authorize the issue of Options to Eligible Persons of the Company and its subsidiaries. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten (10) years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee.

#### 3.2 Limits on Shares Issuable on Exercise of Options

Prior to the completion of the Company's initial public offering, the number of Shares reserved for issuance under the Plan in aggregate shall not exceed 10% of the total number of the Company's issued and outstanding common shares on a non-diluted basis as of the date of listing the Company's common shares through the facilities of the TSX Venture Exchange following the completion of the Company's initial public offering.

Following the completion of the Company's initial public offering and the listing of the Company's common shares through the facilities of the TSX Venture Exchange, the number of Shares reserved for issuance under the Plan in aggregate shall not exceed 10% of the total number of issued and outstanding common shares of the Company on the Grant Date on a non-diluted basis.

The number of Shares which may be issuable under the Plan (calculated at the Grant Date), within a 12 month period:

- (a) to any one Optionee shall not exceed 5% of the total number of issued and outstanding Shares on a non-diluted basis;
- (b) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Shares on a non-diluted basis;

- (c) to any one Consultant shall not exceed 2% of the total number of issued and outstanding Shares on a non-diluted basis; and
- (d) to all Eligible Persons who undertake Investor Relations Activities shall not exceed 2% in the aggregate of the total number of issued and outstanding Shares on a non-diluted basis which shall vest in stages over a twelve month period with 20% vesting on the date of grant and 20% each three months thereafter.

### **3.3 Option Agreements**

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For Options to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Stock Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

## **4. EXERCISE OF OPTION**

### **4.1 When Options May be Exercised**

Subject to section 4.3, an Option may be exercised to purchase any number of Option Shares up to the number of Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. local time on the Expiry Date and shall not be exercisable thereafter.

### **4.2 Manner of Exercise**

The Option shall be exercisable by delivering to the Company a notice specifying the number of Option Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Option Share. Upon notice and payment there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

### **4.3 Termination of Employment**

In the following cases, an Option shall be exercisable as follows:

(a) Death or Disability

If the Optionee ceases to be an Eligible Person, due to his or her death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Unissued Option Shares at any time up to but not after the earlier of:

- (i) 365 days after the date of death or Disability; and
- (ii) the Expiry Date;

(b) Termination For Cause

If the Optionee, or in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause, as that term is interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her termination by the Company other than for cause, or due to his or her voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Unissued Option Shares at any time up to but not after



the earlier of the Expiry Date and the date which is 90 days (30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person.

#### **4.4 Vesting of Option Shares**

Unless otherwise determined by the Directors, the Options shall vest on the Grant Date.

#### **4.5 Effect of a Take-Over Bid**

If a *bona fide* offer ( an "Offer") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; or
- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of clause (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised. If any Option Shares are returned to the Company under this paragraph 4.4, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

#### **4.6 Acceleration of Expiry Date**

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Directors may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Directors shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days and not more than 35 days' notice is required.

#### **4.7 Compulsory Acquisition or Going Private Transaction**

If and whenever there shall be a compulsory acquisition of the Shares of the Company following a takeover bid or issuer bid pursuant to Part XVII of the CBCA or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal takeover bid may be voted under the conditions described in Section 8.2 of OSC Rule 61-501 – Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions (or any successor instrument), then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the takeover bid.

#### **4.8 Effect of a Change of Control**

If a Change of Control occurs, all Option Shares may be exercised in whole or in part by the Optionee.

#### **4.9 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement**

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

#### 4.10 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

### 5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

#### 5.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
  - (i) the Option Price in effect immediately before that effective date or record date; and
  - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in subsection (a)(ii).

#### 5.2 Special Distribution

Subject to the prior approval of the Exchange, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

#### 5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in sections 5.1 or 5.2;
- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or

- (d) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Directors.

#### **5.4 Determination of Option Price and Number of Unissued Option Shares**

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

#### **5.5 Regulatory Approval**

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchange and any other governmental authority having jurisdiction.

### **6. MISCELLANEOUS**

#### **6.1 Right to Employment**

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

#### **6.2 Necessary Approvals**

In accordance with TSX Policies, the Plan must be approved by the Company's shareholders yearly at the Company's annual general meeting. Disinterested shareholder approval (as required by the Exchange) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchange and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

#### **6.3 Administration of the Plan**

The Directors shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 5.4, the interpretation and construction of any provision of the Plan by the Directors shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

#### **6.4 Income Taxes**

As a condition of and prior to participation in the Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

#### **6.5 Withholding Taxes**

The Company or any subsidiary of the Company may take such steps as are considered necessary or appropriate for the withholding and/or remittance of any taxes which the Company or any subsidiary of the Company is required by any law or regulation of any governmental authority whatsoever to withhold and/or remit in connection with any Option or Option exercise including, without limiting the generality of the foregoing, the withholding and/or remitting of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option until such time as the Optionee has

paid the Company or any subsidiary of the Company for any amount which the Company or subsidiary of the Company is required to withhold and/or remit with respect to such taxes.

#### **6.6 Amendments to the Plan**

The Directors may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or options granted thereunder will be subject to the approval of the shareholders.

#### **6.7 Form of Notice**

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

#### **6.8 No Representation or Warranty**

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

#### **6.9 Compliance with Applicable Law**

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

#### **6.10 No Assignment**

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

#### **6.11 Rights of Optionees**

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

#### **6.12 Conflict**

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

#### **6.13 Governing Law**

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

#### **6.14 Time of Essence**

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

#### **6.15 Entire Agreement**

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**Approved by the Board of Directors on May 15, 2017.**

**EXHIBIT "A"**  
**BERKWOOD RESOURCES LTD. - STOCK OPTION PLAN**

**OPTION AGREEMENT**

*Without prior written approval of TSX Venture Exchange (the "Exchange") and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●, 20●● <four months and one day after the date of grant> ●. [IF APPLICABLE]*

This Option Agreement is entered into between BERKWOOD RESOURCES LTD. ("the Company") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on \_\_\_\_\_, \_\_\_\_\_ (the "Grant Date");
2. \_\_\_\_\_ (the "Optionee");
3. was granted the option (the "Option") to purchase \_\_\_\_\_ Common Shares (the "Option Shares") of the Company;
4. for the price (the "Option Price") of \$\_\_\_\_\_ per Option Share;
5. which shall be exercisable ("Vested") on the date of grant:  
\_\_\_\_\_.
6. terminating on the \_\_\_\_\_, \_\_\_\_\_ (the "Expiry Date");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, once Option Shares have become Vested, they continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

**Acknowledgement – Personal Information**

The undersigned hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

BERKWOOD RESOURCES LTD.

\_\_\_\_\_  
OPTIONEE

By: \_\_\_\_\_  
Authorized Signatory

NOTE: Additional representations and warranties may be added if the Optionee is a "Consultant" in order to confirm consultancy or if Optionee performs Investor Relations for the Company.