

**PRIME MERIDIAN RESOURCES CORP.**  
**MANAGEMENT INFORMATION CIRCULAR**

As at July 17, 2018  
unless otherwise noted

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**SOLICITATION OF PROXIES**

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Prime Meridian Resources Corp. (“PMR” or the “Company”), at the time and place and for the purposes set forth in the Notice of Meeting.**

**Note:** The term "shareholder" as defined in the *Business Corporations Act* S.B.C. 2002, c.57 (the "Act"), except in section 385, means a person whose name is entered in a securities register of a company as a registered owner of a share of the company or, until such an entry is made for the company:

- (a) in the case of a company incorporated before the coming into force of the Act, a subscriber, or
- (b) in the case of a company incorporated under the Act, an incorporator.

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers or employees of PMR at nominal cost. The cost of this solicitation will be borne by PMR.

**APPOINTMENT OF PROXYHOLDER**

A duly completed form of proxy will constitute the person(s) named in the enclosed form of proxy as the proxyholder for the shareholder (the “Registered Shareholder”). The persons whose names are printed in the enclosed form of proxy for the Meeting are officers or directors of PMR (the “Management Proxyholders”).

**A Registered Shareholder has the right to appoint a person other than a Management Proxyholder to represent the Registered Shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Registered Shareholder.**

The persons named in the accompanying Form of Proxy are nominees of PMR’s management. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him at the meeting may do so either by:**

- (a) STRIKING OUT THE PRINTED NAMES AND INSERTING THE DESIRED PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY; OR
- (b) BY COMPLETING ANOTHER PROPER FORM OF PROXY.

The completed proxy must be deposited at the office of Equity Financial Trust Company, 200 University Avenue, Toronto, ON M5H 4H1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the meeting.

A shareholder who has given a proxy may revoke it by an instrument in writing delivered to the office of Equity Financial Trust Company, or to the registered office of PMR, #300, 700 4<sup>th</sup> Ave SW, Calgary, Alberta, at any time up to and including the last business day preceding the day of the meeting, or any adjournment thereof, or to the Chairman of the meeting or any adjournment thereof, or in any other manner provided by law.

### **VOTING OF PROXIES**

If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted on any poll and where a choice with respect to any matter to be acted upon has been specified in the proxy, the shares will be voted on any poll in accordance with the specifications so made. IF A CHOICE IS NOT SO SPECIFIED, IT IS INTENDED THAT THE PERSON DESIGNATED BY MANAGEMENT IN THE ACCOMPANYING FORM OF PROXY WILL VOTE THE SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED ON THE FORM OF PROXY AND FOR THE NOMINEES OF MANAGEMENT FOR DIRECTORS AND AUDITOR.

The form of proxy accompanying this Information Circular confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the accompanying Notice of Meeting and with respect to any other matters which may properly come before the meeting. As of the date of this Information Circular, the management of PMR knows of no such amendment or variation or matters to come before the meeting other than those referred to in the accompanying Notice of Meeting.

### **NON-REGISTERED HOLDERS**

**Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of PMR are “non-registered” shareholders because the Shares they own are not registered in their own names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares.** More particularly, a person is not a Registered Shareholder in respect of Shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees of administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited (“CDS”)), of which the Intermediary is a participant.

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to PMR are referred to as “NOBOs”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to PMR are referred to as “OBOs”.

In accordance with the requirements of National Policy 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*, of the Canadian Securities Administrators, PMR has elected to send the

notice of meeting, this information circular and proxy (collectively the “Meeting Materials”) directly to the NOBOs, and indirectly through Intermediaries to the OBOs.

The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIFs, whether provided by REM or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

#### VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

PMR is authorized to issue an unlimited number of Common Shares without par value (the “Common Shares”) and an unlimited number of preference shares without par value, of which 21,475,422 Common Shares are issued and outstanding.

Only the holders of Common Shares are entitled to vote at the Meeting and the holders of Common Shares are entitled to one vote for each Common Share held. The directors of PMR fixed **July 17, 2018** as the record date for the determination of the shareholders entitled to vote at the Meeting.

To the knowledge of the directors and senior officers of PMR, there are no persons beneficially owning, directly or indirectly, or exercising control or direction over voting securities carrying more than 10% of the voting rights attached to any class of voting securities of PMR other than as set out below:

Name	Number of Voting Shares	Percentage of Common Shares
Primrose Drilling Ventures Ltd. (“PDVL”) <sup>1</sup>	7,003,560	33%

<sup>1</sup> Primrose Drilling Ventures Ltd is a private Alberta company 100% owned by 1280417 Alberta Ltd. The number of shares issued on conversion of the 2009 Convertible Shareholder loan was determined on January 15, 2010 to be 7,358,354 shares. The shares were issued July 13, 2010.

## ANNUAL MEETING BUSINESS

### Election of Directors

There are currently four directors, each of whom retires from office at the close of the Meeting. As at December 31, 2017 there were three (3) directors. Management of the Company proposes to nominate the persons named in the following table for election as directors of the Company. Each director elected will hold office until the next Annual General Meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a Director. In the absence of instructions to the contrary, proxies given pursuant to the solicitation by the management of the Company will be voted for the nominees set out below. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following information concerning the proposed nominees has been furnished by each of them:

Name and Present Office Held	Director Since	# of Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised at the Date of This Information Circular	Principal Occupation and if not at Present an Elected Director, Occupation During the Past Five (5) Years
Brian Leeners Ontario, Canada	October 2013	3,090,000	Businessman
Greg Pearson British Columbia, Canada	March 2015	500,000	Businessman
Tyler Thorburn Ontario, Canada	June 2018	100,000	Businessman
Maria Conejo Alberta, Canada	July 2018	NIL	Businesswoman

### **NOTES:**

No proposed director is being elected under any arrangement or understanding between the proposed director and any other person or company except the directors and executive officers of the Company acting solely in such capacity.

### **Audit Committee Disclosure**

The Company is required to disclose certain information relating to its audit committee pursuant to National Instrument 52-110, *Audit Committees*. Reference is made to the Company's disclosure in their MD&A, which may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## STATEMENT OF EXECUTIVE COMPENSATION

### *Compensation Discussion and Analysis*

#### **Compensation of Officers**

The Company does not have a formal pre-determined compensation plan. Rather, the Compensation Committee informally assesses the performance of the named executive officers (or “**NEOs**”, as defined below) and considers a variety of factors generally, both objective and subjective, when determining compensation levels. For the financial year ended December 31, 2012, the objective of the Company’s compensation strategy was to ensure that compensation for its NEOs was sufficiently attractive to recruit, retain and motivate high performing individuals to assist PMR in achieving its goals.

Compensation for the NEOs is composed primarily of two components: base fees and stock based compensation.

#### **Base Fees:**

Base Fees form an essential component of PMR’s compensation strategy as they are key to the Company remaining competitive. These fees are fixed and therefore not subject to uncertainty, and can be used as the base to determine other elements of compensation and benefits.

In determining the base fees of executive officers, the Compensation Committee considers the following:

- a) the recommendations of the Chief Executive Officer of the Company (other than with respect to the compensation of the President and Chief Executive Officer);
- b) the particular responsibilities related to the position;
- c) the experience, expertise and level of the executive officer;
- d) the executive officer’s length of service to the Company; and
- e) the executive officer’s overall performance based on informal feedback.

There is no mandatory framework that determines which of the above-referenced factors may be more or less important and the emphasis placed on any of these factors is at the discretion of the Compensation Committee and may vary among the executive officers. In respect of the base fees paid to the Chief Executive Officer, the Board of Directors also broadly considered the performance of the Chief Executive Officer against the Company’s performance in the previous year. The Company does not engage in benchmarking and did not focus on any particular performance metric.

#### **Long-Term Incentives:**

The Compensation Committee believes that granting stock options to officers, directors, consultants and employees encourages retention and more closely aligns the interests of such key personnel with the interests of Shareholders while at the same time not drawing on the limited cash resources of the Company.

PMR does not utilize a set of formal objective measures to determine long-term incentive entitlements, rather, long-term incentive grants, such as stock options, to NEOs are determined in a discretionary

manner on a case by case basis, but having consideration to the number of options previously granted. There are no other specific quantitative or qualitative measures associated with option grants and no specific weights are assigned to any criteria individually, rather, the performance of the Company is broadly considered as a whole when determining the number of stock based compensation (if any) to be granted and PMR does not focus on any particular performance metric.

## **NEO Compensation**

The Board of Directors:

- a) will periodically review the terms of reference for the Company's NEOs and recommend any changes;
- b) will review the compensation of the NEOs and make recommendations; and
- c) reviews, and if appropriate recommends for approval, any agreements between the Company and the NEOs, including protections in the event of a change of control or other special circumstances, as appropriate.

The components of the NEO compensation are the same as those that apply to the other senior executive officers of the Company, namely base salary and long-term incentives in the form of stock options.

The Compensation Committee reviews and ensures that the compensation of the NEOs complies with the principles underlying the Company's overall compensation philosophy. The Board of Directors believes that the compensation paid to each NEO during the most recently completed fiscal year was commensurate with the NEO's position, experience and performance.

### *Named Executive Officers*

**Pursuant to applicable securities regulations, the Company must disclose the compensation paid to its "Named Executive Officers" (or "NEOs"). This includes the Company's Chief Executive Officer, the Company's Chief Financial Officer and the other three most highly compensated executive officers provided that disclosure is not required for those executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation did not exceed \$150,000. During the fiscal year ended December 31, 2017, the Named Executive Officers were:**

- (a) Brian Leeners, President, Chief Executive Officer; and
- (b) Edward Low, Chief Financial Officer.

The following table sets forth, for the periods indicated, the compensation of the Named Executive Officers.

*Summary Compensation Table*

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Brian Leeners President, CEO & Director – from October 2013	2017	120,000	NIL	NIL	NIL	NIL	NIL	NIL	120,000
	2016	120,000	N/A	N/A	N/A	N/A	N/A	N/A	120,000
	2015	120,000	N/A	N/A	N/A	N/A	N/A	N/A	120,000
Edward Low Chief Financial Officer	2017	NIL	NIL	NIL	NIL	NIL	NIL	42,000 <sup>(1)</sup>	42,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	35,000 <sup>(1)</sup>	35,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Annie Story Former Chief Financial Officer	2017	N/A	N/A	N/A	N/A	N/A	N/A	10,500 <sup>(2)</sup>	10,500
	2016	N/A	N/A	N/A	N/A	N/A	N/A	10,000 <sup>(2)</sup>	10,000
	2015	N/A	N/A	N/A	N/A	N/A	N/A	60,000 <sup>(2)</sup>	60,000

**Notes:**

- (1) includes all amounts paid to AE Financial Management Ltd., a management company owned by Edward Low that provides management and accounting services to the Company.
- (2) includes all amounts paid to ISG Professional Services Inc., a management company owned by Annie Storey that provides management and accounting services to the Company.

### *Incentive Plan Awards*

The following table sets forth details for all awards currently outstanding for each of the NEOs at the end of the most recently completed financial year:

Name and principal position	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) (1)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Brian Leeners	NIL	N/A	N/A	N/A	N/A	N/A
Edward Low	NIL	N/A	N/A	N/A	N/A	N/A

### *Incentive Plan Awards – Value Vested or Earned During the Year*

Name and principal position	Option based awards – Value vested during the year (\$)	Share based awards – Value vested during the year(\$)	Non-equity incentive plan compensation – Value earned during the year
Brian Leeners	NIL	NIL	NIL
Edward Low	NIL	NIL	NIL

Management made no long term incentive plan awards during the year ended December 31, 2017.

### **Termination and Change of Control Benefits**

The Company does not have written employment contracts, agreements or termination of employment or “change of control” agreements with any of the Named Executive Officers.

### **Pension Plan Benefits and Deferred Compensation Plans**

The Company and its subsidiaries do not have any pension plan arrangements in place, nor do they have any deferred compensation plans.

## Director Compensation

The Company has no arrangements, standard or otherwise, pursuant to which Directors are compensated by the Company or its subsidiaries for their services in their capacity as Directors, or for committee participation, involvement in special assignments or for services as consultants or experts during the most recently completed financial year or subsequently, up to and including the date of this information circular.

The Company has a Stock Option Plan for the granting of incentive stock options to the officers, employees and directors. The purpose of granting such options is to assist the Company in compensating, attracting, retaining and motivating the Directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

The following table sets forth information concerning individual grants of options to purchase securities of the Company made during the most recently completed financial year to the Directors of the Company (not including compensation paid to NEO's, whose compensation is as a director is fully reflected in the chart above entitled "*Summary Compensation Table*"):

Name	Option-based Awards				Share based Awards	
	Number of securities underlying unexercised options	Option exercise price \$	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested (#)	Market or payout value of unvested share-based awards
Brian Leeners	NIL	N/A	N/A	N/A	N/A	N/A
Greg Pearson	NIL	N/A	N/A	N/A	N/A	N/A
Michael Dehn	NIL	N/A	N/A	N/A	N/A	N/A

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Stock Option Plan is the only equity compensation plan. The following table sets forth information with respect to the options outstanding under the Plan as at December 31, 2017.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation	NIL	N/A	2,495,085

plans approved by securityholders			
Equity compensation plans not approved by securityholders	NIL	N/A	N/A
TOTAL	NIL	N/A	2,495,085

## CORPORATE GOVERNANCE

Effective June 30, 2005, National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”) and National Policy 58-201 Corporate Governance Guidelines (“NP 58-201”) were adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices*, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

1. **Board of Directors** – The board of directors facilitates its exercise of independent supervision over management by ensuring a majority of the directors of the Corporation are independent. Currently three directors being Greg Pearson, Tyler Thorburn and Maria Conejo are independent directors of the Corporation. Brian Leeners is not independent.
2. **Directorships**

### **Brian Leeners**

Brian Leeners is the founding partner of Nexvu Capital Corporation and has many years of experience serving as a Senior Officer, Director and/or Advisor of multiple public and private companies. Mr. Leeners received both his B. Comm. and L.L.B. degrees from the University of British Columbia in 1992 and was called to the British Columbia Bar in 1993. Mr. Leeners has worked in the investment and venture capital arena for 20 years. For over 10 years, Mr. Leeners has been the Managing Partner of Nexvu Capital Corporation focused on the finance and development of companies in the resource and technology sectors.

### **Greg Pearson**

Mr. Pearson is a founding partner in Nexvu Capital Corp. and has over 30 years of experience in the private and public sector capital markets during which time he has been directly responsible for over \$100 million in financings.

### **Tyler Thorburn**

Mr. Thorburn has 10 years of professional experience in the resource sector. Mr. Thorburn holds an MBA from Warwick Business School, University of Warwick.

### **Maria Conejo**

President of EnviroTek Remediation Inc. with 10 years experience in biological, chemical, and environmental sciences, and technology R & D. Expert in biochemical and bacterial metabolic processes. Holds a BSc in Molecular Biology and an MSc in Biochemical Evolution from the Florida State University, and an MSc in Chemical and Petroleum Engineering specialized in Energy and Environmental Engineering from the University of Calgary.

## **3. Other Directorships**

Certain directors are also directors of other public companies as follows:

Greg Pearson	Envirotek Remediation Inc.
Brian Leeners	Envirotek Remediation Inc.
Tyler Thorburn	Envirotek Remediation Inc.

- Orientation and Continuing Education** – The board of directors is in the process of developing a Corporate Governance Policy, one of the mandates of which will be to create an orientation program for new board members. The board of directors has not currently established criteria for continuing education for directors. 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 directors understand their fiduciary obligations as directors of a public company and view good corporate governance as an integral component to the success of the Company and to fulfill its responsibilities to shareholders. The Board has not adopted a formal code of conduct but encourages all directors and officers to comply with corporate governance principles and ethical business conduct. The Board requires that any director or executive officer disclose any

material interest that they have in any transaction or agreement to be entered into by the Company and, in the case of directors, abstain from voting on any such transaction or agreement in accordance with applicable corporate laws.

6. **Nomination of Directors** – Although a formal process has not been adopted, the board of directors will continue to be responsible for identifying new candidates for the board, including members to fill any vacancies on the board. It will consider candidates submitted by directors, officers, employees, shareholders and others and may retain search firms for the purposes of identifying suitable candidates who meet the level of personal and professional integrity and ability it deems appropriate for directors of the Corporation.
7. **Compensation** – The entire board of directors will continue to review the compensation of directors and officers including the granting of stock options. Compensation will be determined with reference, in part, to compensation of officers and directors in similar industries performing similar functions, while taking into account the financial and other resources of the Company.
8. **Other Board Committees** – Currently the board has established the Audit Committee but has no intention at this time to establish other standing committees of the board.

**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 assessment of the board's effectiveness, the individual directors and its audit committee. To assist in its review, the board conducts informal surveys of its directors, and receives a report from the Audit Committee respecting its own effectiveness.

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

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the board of directors of the Company, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the last completed financial year.

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

No director or executive officer of the Company or any proposed nominee of management of the Company for election as a director of the Company, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Company's last financial year in matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

#### **APPOINTMENT OF AUDITOR**

Management of the Company proposes to nominate MNP, LLP, Vancouver, British Columbia, for appointment as auditors of the Company to hold office until the next Annual General Meeting of the shareholders at remuneration to be fixed by the directors. MNP LLP, Chartered Accountants has been the Company's auditors since January 2016.

## AUDIT COMMITTEE

### Audit Committee Charter

A copy of the charter of the Audit Committee is attached as Appendix A.

### Composition of the Audit Committee

The current Committee consists of Brian Leeners, and Greg Pearson each of whom is a director, financially literate and Greg Pearson is considered independent in accordance with NI 52-110.

### Relevant Education and Experience

#### Brian Leeners

B.Comm and LL.B from the University of British Columbia

#### Greg Pearson

Over 30 years of experience in the private and public sector capital markets.

### External Auditor Service Fees

The aggregate amounts paid or accrued with respect to fees payable to MNP re: 2017 and 2016 for audit, audit-related, tax and other services in the fiscal years ended December 31, 2017, and for 2016 were as follows:

	2017	2016
Audit Fees	18,000	21,935
Audit-related Fees	nil	nil
Tax Fees	nil	nil
All Other Fees	9,435	nil
Total	27,435	21,935

### Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Corporation's Board.

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

### **Exemptions**

Prime Meridian is relying upon exemption 6.1 of NI 52-110.

### **ADDITIONAL INFORMATION**

Additional financial information regarding the Corporation's business is contained in the audited consolidated financial statements and management's discussion and analysis for the years ended December 31, 2017, December 31, 2016, December 31, 2015, December 31, 2014 and December 31, 2013. These statements and all the continuous disclosure documents submitted to the Securities Commissions and TSX Venture Exchange can be found on SEDAR at [www.sedar.com](http://www.sedar.com). Securityholders may request a copy of the financial statements and management's discussion and analysis at #300, 700 4<sup>th</sup> Ave. SW, Calgary, AB T2P 3J4, Phone: (403) 539-1092, Fax: (403) 232-6875.

### **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

#### **Amendment of Stock Option Plan**

The Company's Stock Option Plan (the "Plan") provides that a total of 2,495,085 shares are reserved for issuance upon exercise of stock options granted under the Plan. The Company currently has no options outstanding under its Plan.

It is proposed that the Plan be amended to increase the number of shares reserved for issuance under the Plan from 2,495,085 to 4,295,084 which represents 20% of the common shares currently issued and outstanding. If the amendment is approved, there will be 4,295,084 options reserved and available for issue under the Plan. The increased number of available options will facilitate the Company's search for and retention of senior management and to provide incentive to the Company's employees, officers and directors;

Under the amended Plan, the number of shares which may be reserved for issuance will be as follows:

- (a) to all optionees under the Plan in aggregate shall not exceed 20% of the current issued and outstanding share capital;
- (b) to all insiders as a group may not exceed 20% of the issued shares; and
- (c) to any one individual may not exceed:
  - (i) 5% of the issued shares on a yearly basis; and
  - (ii) 2% of the issued shares on a yearly basis if the optionee is engaged in investor relations activities or is a consultant.

The full text of the amended Plan will be available for review at Meeting.

Accordingly, at the Meeting, shareholders will be asked to pass a special resolution in the following form:

**“BE IT RESOLVED THAT** the Company amend its Stock Option Plan to increase the number of shares reserved for issuance under the Plan from 2,495,085 to 4,295,084”.

Since the amended Plan also permits the directors to reserve up to 20% of the issued shares of the Company under options granted to insiders as a group, the Company must obtain approval of a majority of the shareholders at the Meeting, excluding insiders and their associates, (the “disinterested shareholders”) to such specific term of the amended Plan.

For the purposes hereof, an “insider” is a director or senior officer of the Company, a director or senior officer of a company that is itself an insider or subsidiary of the Company, or a person whose control, or direct or indirect beneficial ownership, or a combination thereof, over securities of the Company extends to securities carrying more than 10% of the voting rights attached to all the Company’s outstanding voting securities.

The amended Plan is also subject to approval by the TSX Venture Exchange.

#### **Continuing in to British Columbia**

Shareholders will be asked to consider and, if thought advisable, pass a special resolution in the following form:

**“BE IT RESOLVED THAT** the Company be continued in to British Columbia”.

## **BOARD APPROVAL**

The contents of this Circular have been approved and its mailing authorized by the directors of the Company.

## **CERTIFICATE**

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

**DATED** at Vancouver, British Columbia, this 20<sup>th</sup> day of July, 2018.

## **ON BEHALF OF THE BOARD OF DIRECTORS**

“Brian Leeners”

**Brian Leeners**  
**President, CEO**