

FOUNTAIN ASSET CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY given that the Annual General and Special Meeting (the "**Meeting**") of the holders (the "**Shareholders**") of the subordinate voting shares and the multiple voting shares of Fountain Asset Corp. (the "**Company**" or "**Fountain Asset**") will be held on July 10, 2018 at the hour of 10:00 a.m., at McMillan LLP, 181 Bay Street, Suite 4400, Toronto, Ontario. The purpose of the Meeting is to:

1. TO RECEIVE the audited consolidated financial statements of the Company for the years ended December 31, 2017 and 2016 and the auditor's report thereon;
2. TO APPOINT MNP LLP as auditors of the Company and to authorize the directors to fix their remuneration;
3. TO ELECT the directors of the Company for the ensuing year; and
4. TO CONSIDER and, if thought fit, to pass an ordinary resolution approving, ratifying and confirming an amended and restated stock option plan as more fully set forth in the accompanying management information circular under the heading "*Particulars Of Other Matters To Be Acted Upon - Approval of Amended and Restated Stock Option Plan*".

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and forms part of this notice.

A form of proxy accompanies this notice. If you are a registered Shareholder, whether or not you are able to attend the Meeting in person, the accompanying form of proxy should be completed, signed, dated and returned to TSX Trust Company, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department, not later than 10:00 a.m. on July 6, 2018 or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned meeting.

If you are a non-registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with instructions provided to you by your broker or such other intermediary.

BY ORDER OF THE BOARD OF DIRECTORS

Dated June 11, 2018

"Andrew Parks" (signed)

Andrew Parks
Chief Executive Officer

FOUNTAIN ASSET CORP.
INFORMATION CIRCULAR
(as at June 11, 2018, except as indicated)

SOLICITATION OF PROXIES

This Information Circular (the "Circular") is furnished in connection with the solicitation of proxies by and on behalf of management of Fountain Asset Corp. (the "Company" or "Fountain Asset") for use at the annual and special meeting of the holders of the subordinate voting shares (the "SVS") and the multiple voting shares (the "MVS" and, together with the SVS, the "shares") of the Company (the "Meeting") to be held on July 10, 2018 at the hour of 10:00 a.m., at McMillan LLP, 181 Bay Street, Suite 4400, Toronto, Ontario and for the purpose set forth in the enclosed notice of annual and special meeting of Shareholders (the "Notice of Meeting") and at any adjournments thereof.

Proxies will be solicited primarily by mail but may also be solicited personally, by telephone or by facsimile by the directors, officers or employees of the Company at nominal costs. The costs of solicitation will be borne by the Company. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the shares of the Company. The Company will provide, without cost to such persons, upon request to the Secretary of the Company, additional copies of the foregoing documents required for this purpose.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to "\$" are to Canadian dollars.

APPOINTMENT OF PROXY HOLDERS AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy with this Circular are directors of the Company. **Any shareholder desiring to appoint some other person, who need not be a shareholder of the Company, to represent them at the meeting may do** so by inserting such other person's name in the blank space provided in the form of proxy and depositing the completed proxy with the Company's transfer agent, TSX Trust Company, 301 - 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, Attention: Proxy Department before 10:00 a.m. on July 6, 2018 or, if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays) before any adjourned meeting. A proxy can be executed by the shareholder or his attorney duly authorized in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

A shareholder has the right to revoke a proxy by delivering an instrument in writing, executed by the shareholder or by the shareholder's personal representative authorized in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or an adjournment thereof, or in any other manner provided by law.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set forth in this section is of significant importance to many shareholders of the Company as a substantial number of shareholders do not hold shares of the Company in their own name and thus are considered non-registered beneficial shareholders. Shareholders who do not hold shares of the Company in their own name ("**Beneficial Holders**") 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 of the Company are listed in an account statement provided to a shareholder by a broker then, in almost all cases, those shares will not be registered in the shareholder's name on the records of the Company. Shares beneficially owned by Beneficial Holders are typically registered either: (i) in the name of an intermediary (an "**Intermediary**") (including, among others, banks, trust companies, securities dealers, brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans) that the Beneficial Holder deals with in respect of the shares, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of the Canadian Securities Administrators, the Company will have distributed copies of the Notice of Meeting, this Circular and the enclosed form of proxy to the Intermediaries or clearing agencies for onward distribution to Beneficial Holders. If you are a Beneficial Holder, your Intermediary will be the entity legally entitled to vote your shares at the Meeting. Shares of the Company held by an Intermediary can only be voted upon the instructions of the Beneficial Holder. Without specific instructions, Intermediaries are prohibited from voting shares.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Holders in advance of the Meeting. Often, the form of proxy supplied to a Beneficial Holder by its Intermediary is identical to the form of proxy provided to registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Holder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Beneficial Holder is requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Alternatively, the Beneficial Holder may call a toll-free telephone number or access the Internet to provide instructions regarding the voting of shares held by the Beneficial Holder. 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 Holder receiving a voting instruction form cannot use that voting instruction form to vote shares of the Company directly at the Meeting, as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have such shares voted.

Beneficial Holders should ensure that instructions respecting the voting of their shares of the Company are communicated in a timely manner and in accordance with the instructions provided by their Intermediary or Broadridge, as applicable. Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Holders in order to ensure that their shares are voted at the Meeting.

Although a Beneficial Holder may not be recognized directly at the Meeting for the purpose of voting shares of the Company registered in the name of their Intermediary, a Beneficial Holder may attend the Meeting as proxyholder for the Intermediary and vote the shares in that capacity. **Beneficial Holders who wish to attend the Meeting and indirectly vote their shares as a proxyholder should enter their own names in the blank space on the form of proxy or voting instruction form provided to them by their Intermediary and/or Broadridge, as applicable, and return the same in accordance with the instructions provided by their Intermediary and/or Broadridge, as applicable, well in advance of the Meeting.**

The purpose of the above noted procedures is to permit Beneficial Holders to direct the voting of the shares of the Company which they beneficially own. Beneficial Holders should carefully follow the instructions and procedures of their Intermediary or Broadridge, as applicable, including those regarding when and where the form of proxy or voting instruction form is to be delivered.

NOTICE TO BENEFICIAL HOLDERS

Beneficial Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as non-objecting beneficial owners, or "NOBOs". Beneficial Holders who have objected to their Intermediary disclosing the ownership information about themselves to the Company are referred to as objecting beneficial owners, or "OBOs". In accordance with the requirements of NI 54-101, the Company is sending the Notice of Meeting, this Circular, and a form of proxy or voting instruction form, as applicable (collectively, the "**Meeting Materials**") directly to the NOBOs and, indirectly, through Intermediaries to the OBOs. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. The Company will pay the fees and costs of Intermediaries for their services in delivering Meeting Materials to OBOs in accordance with NI 54-101.

VOTING OF PROXIES

A shareholder may direct the manner in which his or her Fountain Asset shares are to be voted by marking the form of proxy accordingly. If the instructions in a proxy given to management are certain, the Fountain Asset shares represented by the proxy will be voted on any poll, and where a choice with respect to the resolution has been specified in the proxy, the Fountain Asset shares will be voted on any poll in accordance with the specification so made. Where no choice is so specified or in the absence of certain instructions, the proxy will confer discretionary authority and will be voted:

- (a) FOR the election of the nominees identified in this Circular as directors of the Company;
- (b) FOR the appointment of MNP LLP as independent auditors of the Corporation; and
- (c) FOR the ordinary resolution to approve the amended and restated stock option plan of the Company (the "**Amended Plan**"), including the reservation for issuance under the Amended Plan at any time of a maximum of 10% of the issued and outstanding SVS (as hereinafter defined) of the Company, in accordance with the policies of the TSX Venture Exchange (the "**Exchange**").

EXERCISE OF DISCRETION BY PROXY HOLDERS

The enclosed form of proxy confers discretionary authority upon the proxy holders named therein with respect to amendments or variations to matters identified in the Notice of Meeting and other matters not so identified which may properly be brought before the Meeting. At the date of this Circular, the management of Fountain Asset knows of no such amendments, variations or other matters to come before the Meeting. **If any other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their judgement on such matter.**

QUORUM

Two persons present in person, each being a shareholder entitled to vote thereat, or a duly appointed proxy for an absent shareholder so entitled will constitute a quorum at the Meeting or any adjournment or postponement thereof. The Company's list of shareholders as of the Record Date (as defined below) has been used to deliver to shareholders the Meeting Materials as well as to determine who is eligible to vote at the Meeting.

RECORD DATE

The Board of Directors of the Company (the "**Board**") has fixed the close of business on June 8, 2018 as the record date (the "**Record Date**") for the purposes of determining the holders of Fountain Asset shares entitled to receive notice of and to vote at the Meeting. In accordance with the provisions of the *Canada Business Corporations Act* (the "**CBCA**"), the Company has prepared a list of the holders of Fountain Asset shares on the Record Date. All shareholders of record as at the close of business on the Record Date will be entitled to vote at the Meeting.

INTERESTS OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no director or senior 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, in matters to be acted upon at the Meeting other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

As of June 8, 2018, the Company had outstanding:

- 129,841 MVS
 - The holders of the MVS are entitled to four votes for each MVS held.
- 58,764,621 SVS
 - The holders of the SVS are entitled to one vote for each SVS held.

In order to be effective, each ordinary resolution to be submitted to shareholders at the Meeting must be approved by the affirmative vote of at least 50% of the votes cast thereon. Approximately 1.55% of the votes are controlled by the outstanding MVS.

To the knowledge of the directors and senior officers of the Company, as at June 8, 2018, the only person or company known to Fountain Asset, its directors and officers to beneficially own, directly or indirectly, or exercise control or direction over shares carrying more than 10% of the voting rights attached to the outstanding MSV is 425674 Ontario Limited, which holds directly and indirectly 13,564 MVS (representing approximately 10.45% of the outstanding MVS).

To the knowledge of the directors and senior officers of the Company, as at June 8, 2018, no one person or company known to Fountain Asset, its directors and officers beneficially owns, directly or indirectly, or exercises control or direction over shares carrying more than 10% of the voting rights attached to the outstanding SVS.

PRESENTATION OF FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the financial years ended December 31, 2017 and 2016, together with the report of the auditors thereon, will be presented to the shareholders at the Meeting. Receipt at the Meeting of the financial statements of the Company for the financial years ended December 31, 2017 and 2016, and the auditors' report thereon, will not constitute approval or disapproval of any matters referred to therein.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

National Policy 58-201 *Corporate Governance Guidelines* sets out a series of guidelines for effective corporate governance (the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101") requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines, as it is recognized that the unique characteristics of each corporation will result in varying degrees of compliance with the Guidelines. Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgment.

The Board facilitates its exercise of independent supervision over management by maintaining a majority of 'independent' directors on the Board. Cesare Fazari, Morris Prychidny, Michael Galloro, Roger Daher and Paul Kelly are independent directors. Andrew Parks is not independent by reason of his position as Chief Executive Officer of the Company.

The Board has adopted corporate governance practices that comply with all applicable securities laws and the rules of the Exchange to the extent applicable. The Board will include independent directors so as to fairly reflect investment of minority shareholders in the Company.

As part of the overall stewardship responsibility, the Board assumes responsibility for the following matters, amongst others:

- (i) adoption of a strategic planning process;
- (ii) the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to manage these risks;
- (iii) the succession planning, including appointing, training and monitoring senior management;
- (iv) a communications policy for the Company;
- (v) the integrity of the Company's internal control and management information systems; and
- (vi) the evaluation of the performance of the directors individually and their performance in the various committees.
- (vii)

Directorships

The following current and proposed directors of the Company currently serve on the board of directors of reporting issuers (or the equivalent in a jurisdiction outside of Canada) other than the Company as listed below:

Name	Name of Reporting Issuer	Exchange
Morris Prychidny	Bakerville Gold Mines Ltd.	TSX Venture Exchange
	Nighthawk Gold Corp.	Toronto Stock Exchange
	Northfield Capital Corporation	TSX Venture Exchange

Roger Daher	Aumento Capital VI Corp. Aumento Capital VII Corp. SkyScape Capital GreenSpace Brands Inc.	TSX Venture Exchange TSX Venture Exchange TSX Venture Exchange TSX Venture Exchange
Michael Galloro	Cooltech Goldstream Minerals Inc. Liberty Health Sciences, Inc. SustainCo Inc. Yangaroo Inc.	Nasdaq TSX Venture Exchange Canadian Securities Exchange TSX Venture Exchange TSX Venture Exchange
Cesare Fazari	Bankers Cobalt Corp.	TSX Venture Exchange

Orientation and Continuing Education

The Board, together with the Corporate Governance Committee, are responsible for providing an orientation and education program for new directors which deals with the following matters and such other matters the Board considers relevant: (i) the role of the Board and its committees; (ii) the nature and operation of the business of the Company; and (iii) the contributions that individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board encourages directors to participate in continuing education programs. The Board and the Corporate Governance Committee are responsible for providing continuing education opportunities to existing directors, at the request of any individual director, in order to maintain and enhance their abilities as directors and to ensure that their knowledge of the business of the Company remains current.

New directors of the Company are provided with comprehensive information about the Company and have the opportunity to meet with management of the Company to obtain insight into the Company's business. All members of the Board are familiar with the Company's business and have experience acting as board members or management of other junior mining exploration companies.

Ethical Business Conduct

In order to encourage and promote a culture of ethical business conduct, the Board has adopted of a Governance Manual containing a Code of Conduct (the "Code") and related policies and procedures. The Code outlines ethics policies and rules for employees and senior officers. Senior officers are expected to sign a Compliance Affirmation certifying that they have read and agree to the policies of the Code of Conduct.

The purpose of the Code is to:

- (i) promote honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (ii) promote avoidance of conflicts of interest,
- (iii) promote full, fair, accurate, timely and understandable disclosure in reports and documents that the Company files with, or submits to, the securities regulators and in other public communications made by the Company;
- (iv) promote compliance with applicable governmental laws, rules and regulations;
- (v) promote the prompt internal reporting to an appropriate person of violations of the Code;
- (vi) promote accountability for adherence to the Code;
- (vii) provide guidance to employees, officers and directors of the Company to help them recognize and deal with ethical issues;
- (viii) provide mechanisms to report unethical conduct; and
- (ix) help foster a culture of honesty and accountability for the Company.

The Board is responsible for monitoring compliance with the Code. Any violations of the Code by any employee, officer or director are grounds for disciplinary action including termination of employment, office and directorship.

Nomination of Directors

Directors are recruited by recommendations from current or former directors or by members of its industry. New candidates are screened and interviewed and their qualifications considered. In identifying new candidates for nomination to the Board, matters of importance will include: (a) the specific skill set required on the Board at a given time, taking into account the existing skill sets of the Board; (b) the competencies and skills that the Board considers each existing director to possess and the competencies and skills each new nominee will bring to the boardroom; (c) the academic and employment-related qualifications of the individual; (d) relevant industry experience; and (e) alignment with the philosophies of the Company.

A short list is then prepared and submitted to the Board by the Chief Executive Officer of the Company. Upon approval by the Board, the Chief Executive Officer of the Company nominates the proposed director to the Board.

The Board has determined that the size of the Board is appropriate for the Company at this time and offers the flexibility to respond quickly to corporate opportunities and challenges as they arise from time to time. The Board as currently constituted brings together a mix of skills, backgrounds and attitudes that the Board considers appropriate for the stewardship of the Company.

Compensation

Compensation of management and the Board is determined by the Board with recommendations from the Compensation Committee of the Board. Compensation is determined by reference to the market and the personal contribution of each individual to the Company. For further details concerning the process of determining compensation for directors and officers of the Company, including the Chief Executive Officer, see "Statement of Executive Compensation" in this Circular.

Committees

There are six committees of the Board: the Audit Committee, the Corporate Governance Committee, the Independence Committee, the Disclosure Committee, the Investment Committee and the Compensation Committee. The Charter of the Audit Committee is set out in this Circular as Appendix "A".

The Audit Committee is responsible for reviewing in detail the Company's financial statements and financial reporting and for ensuring that management designs and implements an effective system of internal control. For further details on the Audit Committee, see "Audit Committee" below.

The Corporate Governance Committee is responsible for developing and, where appropriate, recommending to the Board a set of corporate governance principles, including a code of conduct and ethics, aimed at fostering a healthy governance culture. The Independence Committee is responsible for reviewing any related party transactions. The Disclosure Committee is responsible for public dissemination of company information. The Investment Committee is responsible for the operation and administration of the Company's portfolio. The Compensation Committee administers the employee stock option incentive plan and makes recommendations concerning salaries and incentive compensation for executive officers.

Assessments

The Board has no formal performance review procedure in place. However, the Board regularly monitors and assesses the effectiveness of the relationship between management and the Board, the effectiveness of Board operations, the operations of the committees of the Board as well as of individual directors in order to recommend improvements to each of the above.

Conflicts of Interest

Certain of the directors and officers of Fountain Asset also serve as directors and/or officers of other companies or other managerial positions involved or related to emerging growth companies or investing in emerging growth companies. Consequently, there exists the possibility for such directors and officers to be in a position of conflict. Any decision made by any of such directors and officers involving Fountain Asset will

be made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of Fountain Asset and its shareholders. In addition, each of the directors is required to declare and refrain from voting on any matter in which such directors may have a conflict of interest in accordance with the procedures set forth in the CBCA and other applicable laws. Activities that could give rise to conflicts of interest are prohibited unless specifically approved in advance by the Board. It is not always easy to determine whether a conflict of interest exists, so any potential conflicts of interests must be reported immediately to senior management.

AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees*, (“**NI 52-110**”) requires the Company to disclose annually in its management information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The text of the Audit Committee’s charter is attached as Appendix “A” to this Circular.

Composition

The Company’s current audit committee (the “**Audit Committee**”) consists of Morris Prychidny (Chairman), Roger Daher, and Andrew Parks. NI 52-110 provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer’s board of directors, reasonably interfere with the exercise of the member’s independent judgment. All members of the Audit Committee are independent, except for Andrew Parks, who is the current President and CEO of the Company.

Financial Literacy

NI 52-110 provides that an individual is “financially literate” if he or she has 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 reasonably be expected to be raised by the Company’s financial statements. All of the members of the Audit Committee of the Company are financially literate as that term is defined in NI 52-110. For a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member, please see “Election of Directors –Director Biographies”.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Audit Committee has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

Audit Fees

The following table sets forth the fees paid by the Company and its subsidiaries to RSM Canada LLP (and its predecessor, Collins Barrow Toronto LLP, Chartered Accountants) for services rendered in the last two fiscal years:

	<u>2017</u>	<u>2016</u>
Audit fees	\$95,000	\$115,000
Accountancy board fees	-	1,402
Tax preparation and related fees	-	-
Prospectus review	-	-
Interim financial statements review	-	-
All other fees	-	-
Total	<u>\$95,000</u>	<u>\$116,402</u>

Notes:

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

SHAREHOLDER COMMUNICATION

Management is available to shareholders to respond to questions and concerns on a prompt basis. The Board believes that its communications with shareholders and others interested in the Company are responsive and effective.

Shareholders can request to receive a copy of Fountain Asset’s 2017 year-end financial statements and management’s discussion and analysis (“**MD&A**”), this Circular or quarterly financial statements free of charge by mailing a request to Fountain Asset Corp., 25 Adelaide Street East Suite 1300 Toronto, ON M5C 3A1 or emailing info@fountainassetcorp.com, or by visiting the Company’s website, www.fountainassetcorp.com.

MATTERS TO BE ACTED UPON AT THE MEETING

ELECTION OF DIRECTORS

At the Meeting, shareholders will be asked to elect directors to hold office until the next annual general meeting or until their successors are appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director. Management of the Company proposes to nominate each of the following persons for election as a director.

Unless otherwise specifically instructed, the persons named in the enclosed form of proxy intend to vote at the Meeting **FOR** the election of the nominees herein listed as directors.

Name, Municipality of Residence and Position (1)	Principal Occupation, Business or Employment	Director Since	Shares Beneficially Owned, Directly Or Indirectly, or Controlled Or Directed
Morris Prychidny (2)(5)(6)(7) Toronto, Ontario, Canada Director	CFO of Orion Capital Incorporated, Director of Northfield Capital Corporation, Nighthawk Gold Corp.	March 18, 2014	795,000 SVS ⁽¹⁰⁾
Paul Kelly (3) (4)(6) (7) Toronto, Ontario, Canada Director	Independent business consultant and investor	March 18, 2014	3,715,000 SVS
Cesare Fazari (3) (5) (6) (7) Toronto, Ontario, Canada Director	Co-founder of Northwoods Developments Inc.	February 6, 2012	941,666 SVS ⁽⁸⁾
Andrew Parks ⁽²⁾⁽⁴⁾⁽⁵⁾⁽⁷⁾ Toronto, Ontario, Canada President, CEO & Director	CEO of Fountain Asset; Registered Portfolio Manager and Research Analyst & Trader of Forge First Asset Management from 2013 to 2017	October 16, 2017	155,000 SVS
Roger Daher ⁽²⁾⁽³⁾⁽⁴⁾⁽⁶⁾ Toronto, Ontario, Canada Director	Licensed Pharmacist; Owner of 7 Pharmasave (pharmacies)	November 8, 2017	1,419,500 SVS ⁽⁹⁾
Michael Galloro Toronto, Ontario, Canada Proposed Director	Chartered Accountant; Director and Senior officer of several private and public companies	Proposed	Nil

Notes:

- (1) The information as to municipality of residence, principal occupation, securities beneficially owned or over which a director or officer exercises control or direction has been furnished by the respective persons individually.
- (2) Member of Audit Committee of which Morris Prychidny is the Chairman.
- (3) Member of Compensation Committee of which Paul Kelly is the Chairman.
- (4) Member of the Corporate Governance Committee of which Roger Daher is the Chairman.

- (5) Member of the Disclosure Committee of which Andrew Parks is the Chairman.
- (6) Member of the Independence Committee of which Roger Daher is the Chairman.
- (7) Member of the Investment Committee of which Cesare Fazari is the Chairman.
- (8) CESFJJ Holdings Inc., a private holding company controlled by Cesare Fazari, owns 791,666 SVS.
- (9) RGDRX Holdings Inc., a private holding company controlled by Roger Daher, owns 1,409,000 SVS.
- (10) Orion Capital Incorporated, a private company over which Morris Prychidny exercises trading authority, controls 500,000 SVS.

Except as otherwise disclosed below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Circular, or has been, within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
 - (i) was the subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive, or chief financial officer; or
 - (ii) was subject to an order 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;
- (b) is, as at the date of this Circular, or has been within ten years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the ten years before the date of this Circular, become 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.

For the purposes of this paragraph, “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days.

No proposed director of the Company has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Director Biographies

Morris Prychidny

Mr. Prychidny is a Chartered Accountant with more than 35 years of experience in the mining and real-estate industries. Mr. Prychidny brings strong portfolio management and financing expertise through his roles in a number of publicly-listed investment and mining companies. He is currently the Chairman of the Board of Directors and Chairman of the Audit Committee of Nighthawk Gold Corp., a TSX-listed Canadian-based exploration company focused on acquiring and developing gold mineral properties in the Northwest Territories, Canada; the Chief Financial Officer and a director of Orion Capital Incorporated, a Toronto-based asset management company with a focus on investing in the junior mining and real estate sectors; a director and Audit Committee member of Northfield Capital Corporation (TSXV), a public corporation with investments in excess of \$100 million predominantly in the mineral resource sector; and a director and the chairman of the Audit Committee of Barkerville Gold Mines Ltd. (TSXV), a company focused on developing its extensive mineral rights package located in the historical Cariboo Mining District of central British Columbia. Mr. Prychidny holds a Bachelor of Economics from the University of Western Ontario.

Paul Kelly

Mr. Kelly has experience within the North American steel industry. He was the former President and Chief Executive Officer and a director of Slater Steel Inc. from May 1998 to May 2004, which was a multidivisional specialty steel company formerly listed on the Toronto Stock Exchange. Mr. Kelly was President, Chief Operating Officer and a director, from June 2004 to September 2007, of Harris Steel Group Inc., a multidivisional fabricator, manufacturer and steel trading group formerly listed on the Toronto Stock Exchange. He has experience in dealing with public markets as well as an extensive background in M&A and financial structuring. Mr. Kelly obtained a B.A. degree in Economics from the University of Toronto.

Cesare Fazari

Based in Toronto, Mr. Fazari is a co-founder of Northwood Developments Inc., a diversified commercial construction company that has been operating in the greater Toronto area since 1991. He has a vast portfolio of over one million square feet of real estate holdings which include hundreds of residential units and hundreds of thousands of square feet of commercial office space, commercial retail, industrial space and land. Mr. Fazari has been the seed Venture Capital investor in many successful public companies such as The Hydrothecary Corporation (TSXV), iAnthus Capital Holdings, Inc. (CSE) and Drone Delivery Canada Corp. (CSE), among others.

Andrew Parks

Mr. Parks is the CEO and a director of the Company. He was most recently a portfolio manager at a Toronto-based asset management firm and has years of experience as a research analyst and trader. Mr. Parks is a CFA and holds an Honours Bachelor of Business Administration from Wilfrid Laurier University.

Roger Daher

Roger Daher has been a licensed pharmacist for over 28 years and he is currently a practicing owner/partner in seven Ontario Pharmasave pharmacies. Since 2010, Mr. Daher has been a member of the Pharmasave Ontario Board of Directors and a member of the Audit Committee; he is currently the treasurer/secretary and Audit Committee Chairman for Pharmasave. Mr. Daher also serves as a director for a number of other public companies, including GreenSpace Brands Inc. (TSXV), Aumento Capital VI Corp. (TSXV), and SkyScape Capital Inc. (TSXV), where he is Chief Executive Officer and Chairman of the Board of Directors. Mr. Daher obtained his Bachelor Science, Pharmacy, from the University of Toronto in 1989.

Michael Galloro

Mr. Galloro is an accomplished financial executive with over 20 years of experience. Mr. Galloro gained public markets experience engaged as a Vice President of Finance for a TSXV listed company operating in the payment processing industry. He then pursued a consulting career focused primarily on the small and mid-cap space working closely with emerging private and publicly listed companies operating globally assisting with financings, M&A, corporate structuring and go public transactions, both in Canada and the US. Michael earned his Chartered Professional Accountant, Chartered Accountant (CPA, CA) designation while working in the financial institutions practice for KPMG LLP and has his Honours Bachelor of Accounting (BAcc) Degree from Brock University.

STATEMENT OF EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The executive compensation strategy is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short and long term aligned with the interests of the Company's shareholders.

The Compensation Committee is responsible for establishing, reviewing and making recommendations to the Board concerning the overall compensation policies for the Chief Executive Officer (CEO), Chief Operating Officer/Chief Financial Officer (COO/CFO) and other key executives of the Company. For executives other than the CEO, the CEO makes compensation recommendations to the Compensation Committee. The Compensation Committee evaluates the Chief Executive Officer's performance and, based on its evaluation, reviews and makes recommendations to the Board with respect to all direct and indirect compensation, benefits and perquisites (cash and non-cash) for the Chief Executive Officer based on such evaluation. In determining the Chief Executive Officer's compensation, the Compensation Committee considers the terms of his employment contract with the Company and may additionally consider a number of other factors, including the Company's performance, the value of similar incentive awards to chief executive officers at comparable companies, the awards given to the Chief Executive Officer in past years and other factors it considers relevant. The Compensation Committee also reviews and makes recommendations to the Board with respect to compensation, benefits and perquisites for all other senior officers of the Company, incentive compensation and equity based plans, and policies regarding management benefits and perquisites. The Company does not engage an outside consulting firm to provide executive compensation consulting. There is no regulatory oversight of the Company's compensation process for the Company's executive officers. The Company did not use any specific benchmarks for determining the executive officer compensation.

The objectives of the Company's executive compensation strategy are to:

1. Attract and retain talented and effective individuals to assume responsibility for those functions that are critical to the Company's success;
2. Encourage and recognize high levels of performance by linking incentive compensation to the Company's profitability;
3. Link compensation to the achievement of the Company's strategic objectives of growth and the enhancement of shareholder value; and
4. Encourage retention of key executives for leadership succession.

The compensation program is comprised of the following elements:

- Base salary,
- Option-based awards,
- Non-Equity Incentive Plan, and
- All other compensation.

The elements of compensation for the executive officers of the Company during the financial year ended December 31, 2017 included base salaries and company-wide employee health and welfare benefits (including medical and dental). The Company's executive compensation structure is designed to encourage and motivate executives to achieve high levels of performance, both individually and for the Company, particularly over the medium-to-long term. An executive's overall compensation package in any given year will reflect the functions being performed, and his or her overall contribution to the organization, capacity to improve the Company's financial performance, enthusiasm and loyalty, and ability to create (or help to create) value for the benefit of the Company's shareholders. The Compensation Committee believes that the base salary component provides a measure of certainty and predictability to meet certain living and other financial commitments and, together with the cash bonus component, motivates executives in the short-to-medium term, while stock option grants align their interests with those of the Company's shareholders and assist in keeping the Company competitive in attracting and retaining high quality executives.

Salary

Amounts paid to an executive officer as base salary, including merit salary increases, are determined by reference to the individual's performance and salaries prevailing in the marketplace for comparable positions. The base salary of each executive officer is reviewed as required. Salary adjustments take into consideration the general level of salaries in the marketplace for comparable positions, the performance of the executive and the Company's performance.

Share Based Awards

At this time, the Company does not have any Share-based Awards compensation program.

Options Based Awards

Stock options granted under the stock option plan of the Company are designed to give each optionee an interest in preserving and maximizing shareholder value in the longer term by linking compensation to the share price of the Company's shares. The Compensation Committee has the sole discretion to determine the key employees to whom it recommends that grants be made and to determine the number of the options forming part of such grant. The Compensation Committee presents these recommendations to the Board for modification or approval. The Company issued 1,000,000 options to Andrew Parks, 125,000 options to Morris Prychidny, 100,000 options to Paul Kelly, 100,000 to Alex Regis, 125,000 to Cesare Fazari and 100,000 options to Roger Daher in 2017.

The Amended Plan allows the Company to grant options to purchase up to such number of SVS which, together with all the Company's then outstanding options, will not exceed 10% of the issued and outstanding SVS of the Company from time to time.

For more information on the Amended Plan, see "*Particulars of Other Matters To Be Acted Upon – Approval of Amended and Restated Stock Option Plan*".

Non-Equity Incentive Plan

Fountain Asset has established a Non-Equity Incentive Plan that focuses on providing annual incentive to the executive team. At this time there is a Short-Term incentive plan (Annual Incentive Plan) but there is no Long-term incentive plan.

The Annual Incentive Plan is in the form of a management bonus agreement ("**Management Bonus Agreement**"), which serves as an incentive for performance (whereby performance is measured by reference to Fountain Asset's financial performance) of the Company's management. The Management Bonus Agreement states that Fountain Asset's management receives a bonus pool of 20% of pre-tax profits of Fountain Asset in excess of 150% of the compound yield on the Canadian 10 Year Bond rate, which means that to qualify, management must obtain a return on investment equal to at least 7.5% (being one and one-half times an initial hurdle rate of 5% yielded by the Canadian 10 Year Bond Rate). The hurdle rate to qualify for the bonus pool shall vary in proportion to the yield on the Canadian 10 Year Bond Rate, but for the purpose of calculation the Canadian 10 Year Bond Rate shall not be deemed to go below 5% (which is called a "collar") and management shall not be held to a return in excess of 10% (which is called a "ceiling") before qualifying for the bonus pool, irrespective of the Canadian 10 Year Bond Rate. The bonus pool is calculated and payable on a semi-annual basis.

Pension

At this time, the Company does not include a pension component to its compensation plan.

Other Compensation

All other compensation is reviewed and approved by the Compensation Committee on an individual basis to recognize and reward members of the executive team for going above and beyond their employment contract to increase the value of the Company.

Members of the Compensation Committee

The Compensation Committee currently consists of Roger Daher, Paul Kelly and Cesare Fazari, all of whom are independent.

Paul Kelly has held several senior executive positions. He has experience dealing with compensation committees as well as compensation consultants. Roger Daher was previously a member on the compensation committee at Sweet Natural Trading Co. Limited and, during his tenure, he was responsible for hiring the CEO and using a third-party evaluator to implement the CEO's employment contract.

The Company did not retain any compensation consultant or advisor in the past year.

Executive Compensation for the Year Ended December 31, 2017

The Company has a salary compensation program to ensure it has access to executives with the skills needed to manage the Company's business interests and assets and to ensure the Company has access to the capital it needs. The Company has an employment or consulting agreement with each of Andrew Parks and Michael Leskovec. Andrew Parks has an annual compensation of \$125,000 and was awarded a one-time signing bonus of \$100,000. Michael Leskovec was retained as an interim Chief Financial Officer to the Company for a term of three months terminating on August 1, 2018 and receives a quarterly fee of CAD\$15,000 through his consulting company, 2245448 Ontario Inc.

Andrew Parks' employment agreement has clauses typical of such agreements in respect of termination, including termination for cause. In the event of termination without cause, Fountain Asset will pay to Andrew Parks the greater of (i) eighteen months of base salary and benefits continuation and (ii) the minimum entitlements required by the Ontario *Employment Standards Act, 2000*, in addition to all other sums which may be due to Mr. Parks.

The foregoing Report on Executive Compensation is submitted by the Compensation Committee.

Summary Compensation Table

In this Circular, a Named Executive Officer (“NEO”) means: (a) the Company’s Chief Executive Officer; (b) the Company’s Chief Financial Officer; (c) the Company’s three other most highly compensated executive officers at the end of the financial year ended December 31, 2017 whose total compensation was, individually, more than \$150,000; and (d) each individual who would be an NEO but for the fact that the individual was neither an executive officer of the Corporation, nor serving in a similar capacity, at the end of the financial year ended December 31, 2017. Based on the foregoing, Jason Ewart, David Darakjian and Andrew Parks were the only NEOs of the Company as at December 31, 2017.

Name and Principal Position	Year	Salary (\$)	Share-based Awards (\$)	Option-based Awards (\$) ^(iv)	Non-Equity Incentive Plan Compensation		Pension value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Jason Ewart ⁽ⁱ⁾ (former CEO)	2017	158,356	Nil	Nil	Nil	Nil	Nil	250,000 ^(v)	408,356
	2016	200,000	Nil	Nil	Nil	Nil	Nil	Nil	200,000
	2015	192,000	Nil	113,167	Nil	Nil	Nil	Nil	305,167
David Darakjian (CFO) ⁽ⁱⁱ⁾	2017	151,000	Nil	Nil	Nil	Nil	Nil	Nil	151,000
	2016	151,000	Nil	Nil	Nil	Nil	Nil	Nil	151,000
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Parks ⁽ⁱⁱⁱ⁾ (CEO)	2017	26,042	Nil	278,909	Nil	Nil	Nil	25,000 ^(vi)	329,951

- (i) Mr. Ewart retired as CEO and a director of the Company, effective October 15, 2017.
- (ii) Mr. Darakjian tendered his resignation on March 14, 2018 and his last day as CFO was April 30, 2018. Michael Leskovec was appointed as interim CFO on May 1, 2018.
- (iii) Andrew Parks was appointed as the new CEO and director of the Company, effective October 16, 2017. Mr. Parks did not receive any compensation relating to his role as a director of the Company.
- (iv) The Company has adopted fair value accounting for options granted under the Plan using the Black-Scholes fair value option pricing method, an established methodology. The key assumptions made in the valuation of the awards set out in the above table for fiscal 2017 were as follows: (i) risk-free interest rate: 1.20%; (ii) expected option life: 5 years; (iii) dividend yield: 0%; and (iv) expected volatility: 96%.
- (v) Mr. Ewart was paid \$250,000 in connection with his retirement as CEO on October 15, 2017.
- (vi) Pursuant to the terms of his employment agreement, Mr. Parks is entitled to a signing bonus of \$100,000, payable in four equal installments with the first installment paid on October 16, 2017 and the remaining three installments payable on a quarterly basis thereafter.

INCENTIVE PLAN AWARDS

Outstanding Share-Based Awards and Option-Based Awards

The table below represents outstanding option-based awards as of December 31, 2017.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (net of option exercise price) ⁽ⁱ⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Jason Ewart (CEO) ⁽ⁱⁱ⁾	125,000	0.40	May 1, 2018	2,500	Nil	Nil
	750,000	0.47	April 29, 2020	Nil	Nil	Nil
David Darakjian	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Parks	1,000,000	0.3625	November 8, 2022	57,500	Nil	Nil

(i) The closing price of the SVS on the Exchange on December 29, 2017 was \$0.42 per SVS.

(ii) Mr. Ewart's options expired 90 days after his retirement. These options were not exercised.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth all incentive plan awards in which the value vested or was earned during the financial year ended December 31, 2017 for each NEO.

Name	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 (\$)
Jason Ewart	Nil	Nil	Nil
David Darakjian	Nil	Nil	Nil
Andrew Parks	Nil	Nil	Nil

Narrative Discussion

The Plan allows the Company to grant options to purchase up to such number of SVS which together with all the Company's then outstanding options will not exceed 10% of the issued and outstanding SVS of the Company from time to time. The Plan is administered by the Compensation Committee of the Board.

The Company has no pension plan benefits, defined contribution plans or deferred compensation plans. The Company has a group health plan, which provides coverage for all staff, and includes medical and dental benefits.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Andrew Parks

The Company has an employment agreement with Andrew Parks for CEO services which contains clauses typical of such agreements in respect of termination, including termination for cause. If Mr. Parks is terminated for cause, Mr. Parks is entitled to an amount equal to the

base salary and vacation pay up until the date of his termination (the “**Termination Date**”) and he shall have no entitlement to any further notice of termination, payment in lieu of notice of termination, severance, continuation of benefits or any damages whatsoever. In the event of termination for cause, participation in all bonus plans or other equity or profit participation plans terminates immediately. In the event of termination without cause, the Company will pay to Mr. Parks the greater of (i) eighteen months of base salary and benefits continuation and (ii) the minimum entitlements required by the Ontario *Employment Standards Act, 2000*, in addition to all other sums, which may be due to the employee. As a condition to any payments or benefits which exceed Mr. Parks’ minimum entitlements under the Ontario *Employment Standards Act, 2000*, Mr. Parks is required to deliver a full and final release from all actions or claims, known and unknown, in connection with his employment with the Company or termination thereof in favour of the Company, its affiliates and all of its employees, officers and directors.

The agreement with Mr. Parks contains a standard confidentiality provision, as well as non-competition, non-interference and non-solicitation provisions. The non-competition provision prohibits Mr. Parks from engaging in any similar business to that of the Company in the province of Ontario at any time during his employment or at any time during which he is receiving severance payments. The non-interference provision provides that, during Mr. Parks’ employment with the Company and for a period of twelve months thereafter, he shall not interfere with any contractual relationship between the Company and any party that was a licensor, buyer, customer, partner or vendor of the Company or that the Company was actively soliciting during the twelve month period preceding the Termination Date. The non-solicitation provision provides that Mr. Parks will not, at any time during his employment with the Company and for the twelve month period following the Termination Date:

- employ or endeavour to employ any person who is employed by or acting as a consultant to the Company as at the Termination Date or within the twelve month period preceding such date; or
- canvass, solicit or approach any person or entity: (i) who is a customer or business relation of the Company as at the Termination Date or within the twelve month period preceding such date and (ii) with whom Mr. Parks worked or received confidential information about during the course of his employment with the Company; or
- induce or attempt to induce any customer or business relationship of the Company to cease doing business with the Company; or
- disparage the Company or its affiliates or employees.

If Mr. Parks’ employment is terminated by the Company without cause, he is entitled to an incremental payment of approximately \$187,500 and may exercise his options for up to 90 days after the Termination Date. In the event of termination by the Company for cause, Mr. Parks is entitled to receive his base salary and vacation pay earned up to the Termination Date and he is not permitted to exercise any outstanding options after the Termination Date. In the event that Mr. Parks terminates the agreement by providing written notice thereof to the Company, the Company may deem any date prior to the date specified by Mr. Parks as the Termination Date, in which case Mr. Parks will not be entitled to any further payments beyond the date specified by the Company, except as required by law, however Mr. Parks is entitled to exercise any outstanding options for a period of 90 days. The agreement does not contain change of control provisions.

The following table sets out estimates of the incremental amounts payable to Mr. Parks upon the identified termination events, assuming each such event took place on December 31, 2017.

Name	Termination Event	Estimated Incremental Payment			
		Severance	Option based awards	Other	Total
Andrew Parks	By Company for just cause	Nil	Nil	Nil	Nil
	By Company without just cause	187,500	57,500 ⁽ⁱ⁾	Nil	245,000
	By Andrew Parks	Nil	57,500 ⁽ⁱ⁾	Nil	57,500
	By Company following change of control	Nil	Nil	Nil	Nil

Notes:

(i) Based on the closing price of the SVS on the Exchange on December 29, 2017 of \$0.42 per SVS.

Jason Ewart

Pursuant to his employment agreement with the Company, Fountain Asset paid to Jason Ewart an amount equal to \$250,000 in connection with his retirement.

COMPENSATION OF DIRECTORS

On January 23, 2017, the Company put in place an annual directors compensation agreement. Directors are entitled to \$7,000 as well as reimbursement for their out-of-pocket expenses incurred in connection with their duties as directors. During the year 2017, the following was paid or payable to members of the Board (other than the NEOs). For information regarding Andrew Parks, please refer to “Statement of Executive Compensation – Summary Compensation Table” above.

Name	Fees earned (\$)	Share-based Awards (\$)	Option-based Awards (net of option exercise price) (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All Other Compensation (\$)	Total (\$)
Roger Daher	1,167	Nil	27,891	Nil	Nil	Nil	29,058
Cesare Fazari	7,000	Nil	19,771	Nil	Nil	Nil	26,771
Paul Kelly	7,000	Nil	24,714	Nil	Nil	Nil	31,714
Morris Prychidny	7,000	Nil	24,714	Nil	Nil	Nil	31,714
Alec Regis	7,000	Nil	19,771	Nil	Nil	Nil	26,771

The table below represents outstanding option-based awards to directors as of December 31, 2017.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiry date	Value of unexercised in-the-money options (net of option exercise price) ⁽ⁱ⁾ (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
Roger Daher	100,000	0.3625	November 8, 2022	5,750	Nil	Nil	Nil
Cesare Fazari	125,000	0.30	January 23, 2022	15,000	Nil	Nil	Nil
Paul Kelly	115,000 100,000	0.40 0.30	June 5, 2019 January 23, 2022	2,300 12,000	Nil	Nil	Nil
Morris Prychidny	115,000 125,000	0.40 0.30	June 5, 2019 January 23, 2022	2,300 15,000	Nil	Nil	Nil
Alec Regis	100,000	0.30	January 23, 2022	12,000	Nil	Nil	Nil

(i) The closing price of the SVS on the Exchange on December 29, 2017 was \$0.42 per SVS.

The following table sets forth all incentive plan awards in which the value vested or was earned during the financial year ended December 31, 2017.

Name	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 (\$)
Roger Daher	Nil	Nil	Nil
Cesare Fazari	Nil	Nil	Nil
Paul Kelly	Nil	Nil	Nil
Morris Prychidny	Nil	Nil	Nil
Alec Regis	Nil	Nil	Nil

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth as of December 31, 2017 the number of securities issuable upon exercise of outstanding options, the weighted exercise price of such outstanding options and the number of securities remaining available for future issuance under all equity plans previously approved by the Company's shareholders and all equity plans not approved by the Company's shareholders. The only equity compensation plan of the Company as at December 31, 2017 was the 2015 stock option plan of the Company (the "2015 Plan"), which was amended and restated by the Amended Plan on June 4, 2018. For further information, see "Particulars of Other Matters To Be Acted Upon – Approval of Amended and Restated Stock Option Plan".

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	2,770,000	\$0.38	2,627,480
Equity compensation plans not approved by security holders	None	-	-
Total	2,770,000	\$0.38	2,627,480

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as set out in this Circular, no informed person of the Company, any proposed director of the Company, or no associate or affiliate of the foregoing persons, has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's last completed financial year, or in any proposed transaction, which in either such case has materially affected or will materially affect the Company.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Appointment of Auditors

At the Meeting, Shareholders will be asked to appoint MNP LLP as auditors of the Company to hold office until the next annual meeting of shareholders at remuneration to be fixed by the Board.

On June 4, 2018, the Board of Directors approved a change in auditor from RSM Canada LLP (previously known as Collins Barrow Toronto LLP, Chartered Accountants) to MNP LLP. A reporting package was filed in accordance with section 4.11 of National Instrument 51-102, a copy of which is attached to this Circular as Appendix "B". MNP LLP was appointed successor auditors to RSM Canada LLP on June 4, 2018.

The Board recommends that shareholders vote FOR the appointment of MNP LLP as auditors of the Company and to authorize the Board to fix the remuneration of the auditors. Unless the shareholder directs that his or her shares are to be withheld from voting in connection with the appointment of auditors, the persons named in the enclosed form of proxy will vote FOR the appointment of MNP LLP as auditors of the Company and to authorize the Board to fix the remuneration of the auditors. A majority of the votes cast by shareholders at the Meeting is required to approve the appointment of auditors and to authorize the directors to fix the remuneration of the auditors.

Approval of the Amended and Restated Stock Option Plan

The Company adopted the Amended Plan which provides that the Board may, at any time and from time to time, in its discretion, and in accordance with the Exchange requirements, grant to consultants, directors, employees, management company employees and members of management of the Corporation, non-transferable options to purchase SVS without par value in the capital of the Company, provided that the number of SVS reserved for issuance shall not exceed 10% of the issued and outstanding SVS of the Company. In connection with the foregoing, the number of SVS reserved for issuance to any one person shall not exceed 5% of the issued and outstanding SVS (on a non-diluted basis) and the number of SVS reserved for issuance to any eligible consultant will not exceed 2% of the issued and outstanding SVS (on a non-diluted basis) in any 12 month period (including the SVS that are subject to such option). In addition, the aggregate number of SVS reserved for issuance to insiders of the Corporation shall not exceed 10% of the issued and outstanding SVS (on a non-diluted basis) in any 12 month period (including the SVS that are subject to such option). The aggregate number of options granted to persons employed in investor relations activities shall not exceed 2% of the issued and outstanding SVS (on a non-diluted basis) in any 12 month period (including the SVS that are subject to such option).

The Board at its discretion may determine when any option will become exercisable and may determine that the option be exercisable in installments. The Board may also establish any vesting schedule relative to any options granted under the Amended Plan, provided that in no event shall options vest over a time period that is shorter than any time period prescribed by the Exchange. Options may be exercised for a period of up to 5 years after such options are granted, provided that: (i) upon the death of an optionee, any vested option held by him at the date of death shall be exercisable if the option was issued 10 or more days prior to the date of death, for a period of one year after the date of death or until the expiry of such option, whichever is sooner; (ii) if an optionee is terminated for cause, no option held by such optionee may be exercised following the date of termination; (iii) if an optionee's employment or contract terminates for reasons other than cause or death, any vested option held by such optionee may be exercised within 90 days following the date of termination or until the expiry of such option, whichever is sooner; and (iv) if an optionee who is a consultant is terminated due to breach or expiry of contract (other than for reasons set forth above), no options held by such optionee may be exercised following such breach, expiry or termination.

The Amended Plan is subject to the approval of the shareholders and the rules of the Exchange.

At the Meeting, shareholders will be asked to consider, and if thought appropriate, pass an ordinary resolution substantially in the form noted below to approve, ratify and confirm the Amended Plan:

"RESOLVED, as an ordinary resolution, that:

- (a) the amended and restated stock option plan substantially in the form attached as Appendix "C" to the management information circular of Fountain Asset Corp. (the "**Company**") dated June 11, 2018 is hereby approved, ratified and confirmed; and
- (b) any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise and to deliver or to cause to be delivered, all such other deeds, documents, instruments and assurances and to do or cause to be done all such other acts as in the opinion of such director or officer of the Company may be necessary or desirable to carry out the terms of the foregoing."

The resolution respecting the approval of the Amended Plan will require the affirmative vote of a majority of the votes cast thereon at the Meeting. Management of the Company recommends that shareholders vote in favour of the resolution to approve the Amended Plan. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the resolution to approve the Amended Plan.**

If approved by shareholders at the Meeting, the Amended Plan will amend, restate and supersede the 2015 Plan. If the Amended Plan is not approved by shareholders at the Meeting, the 2015 Plan will be reverted to.

MANAGEMENT CONTRACTS

There are no management functions of the Company that are to any substantial degree performed other than by the directors and executive officers of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the Company at 25 Adelaide Street East, suite 1300, Toronto, Ontario, M5C 3A1, or call 416 488-7760, to request copies of the Company's financial statements and MD&A or access them at www.fountainassetcorp.com. Financial information with respect to the Company is provided in the Company's comparative financial statements and MD&A for the years ended December 31, 2017 and 2016.

APPROVAL BY DIRECTORS

This Circular and the mailing of same to shareholders have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

Dated June 11, 2018

"Andrew Parks" (signed)

Andrew Parks
Chief Executive Officer

**APPENDIX A
AUDIT COMMITTEE CHARTER**

**FOUNTAIN ASSET CORP.
AUDIT COMMITTEE OF THE BOARD OF DIRECTORS
CHARTER**

I. PURPOSE

The Audit Committee is a committee of the Board of Directors. The primary function of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by:

- reviewing the financial reports and other financial information provided by the Company to any governmental body or the public and other relevant documents;
- recommending the appointment and reviewing and appraising the audit efforts of the Company's independent auditor and providing an open avenue of communication among the independent auditor, financial and senior management and the Board of Directors;
- serving as an independent and objective party to monitor the Company's financial reporting process and internal controls, the Company's processes to manage business and financial risk, and its compliance with legal, ethical and regulatory requirements;
- encouraging continuous improvement of, and fostering adherence to, the Company's policies, procedures and practices at all levels.

The Audit Committee will primarily fulfill these responsibilities by carrying out the activities enumerated in Section III of this Charter.

II. COMPOSITION AND MEETINGS

The Audit Committee shall be comprised of three or more directors as determined by the Board, the majority of whom shall be independent directors, and free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall have accounting or related financial management expertise. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant.

The members of the Committee shall be elected by the Board at the annual organizational meeting of the Board or until their successors shall be duly elected and qualified. Unless a Chair is elected by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

The Committee shall meet at least four times annually, or more frequently as circumstances require. The Committee shall meet within sixty (60) days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related Management Discussion & Analysis and shall meet within 120 days following the end of the fiscal year end to review and discuss the audited financial results for the year and related Management Discussion & Analysis.

The Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their audit related duties, members of the Committee shall have full access to all corporate information and shall be permitted to discuss such information and any other matters relating to the financial position of the Company with senior employees, officers and independent auditors of the Company.

As part of its job to foster open communication, the Committee should meet at least annually with management and the independent auditor in separate executive sessions to discuss any matters that the Committee or each of these groups believe should be discussed privately. In addition, the Committee or at least its Chair should meet with the independent auditor and management at least annually to review the Company's financial statements.

Quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Committee or such greater number as the Audit Committee shall by resolution determine.

Meetings of the Audit Committee shall be held from time to time and at such place as the Audit Committee or the Chairman of the Committee shall determine upon 48 hours notice to each of members. The notice period may be waived by a quorum of the Committee. Each of the Chairman of the Committee, members of the Committee, Chairman of the Board, independent auditors, Chief Executive Officer, Chief Financial Officer or Secretary shall be entitled to request that the Chairman of the Audit Committee call a meeting which shall be held within 48 hours of receipt of such request.

III. RESPONSIBILITIES AND DUTIES

To fulfill its responsibilities and duties the Audit Committee shall:

1. Create an agenda for the ensuing year.
2. Review and update this Charter at least annually, as conditions dictate.
3. Describe briefly in the Company's annual report and more fully in the Company's Management Information Circular the Committee's composition and responsibilities and how they were discharged.
4. Submit the minutes of all meetings of the Audit Committee to the Board of Directors.

Documents/Reports Review

5. Review the organization's annual financial statements and any reports or other financial information submitted to any governmental or regulatory body, or the public, including any certification, report, opinion, or review rendered by the independent auditor.
6. Review policies and procedures with respect to directors' and officers' expense accounts and management perquisites and benefits, including their use of corporate assets and expenditures related to executive travel and entertainment, and review the results of the procedures performed in these areas by the independent auditor, based on terms of reference agreed upon by the independent auditor and the Audit Committee.
7. Review with financial management and the independent auditor any filings with regulatory bodies such as securities commissions prior to filing or prior to the release of earnings. The Chair of the Committee may represent the entire Committee for purposes of this review.

Independent Auditor

8. Recommend to the Board of Directors the selection of the independent auditor, considering independence and effectiveness and approve the fees and other compensation to be paid to the independent auditor. Instruct the independent auditor that the Board of Directors, as the shareholders' representative is the independent auditor's client.
9. Monitor the relationship between management and the independent auditor including reviewing any management letters or other reports of the independent auditor and discussing any material differences of opinion between management and the independent auditor.
10. Review and discuss, on an annual basis, with the independent auditor all significant relationships they have with the Company to determine their independence.
11. Review and approve requests for any management consulting engagement to be performed by the independent auditor and be advised of any other study undertaken at the request of management that is beyond the scope of the audit engagement letter and related fees.
12. Review the performance of the independent auditor and approve any proposed discharge of the independent auditor when circumstances warrant. Consider with management and the independent auditor the rationale for employing accounting/auditing firms other than the principal independent auditor.

13. Periodically consult with the independent auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the organization's financial statements. Particular emphasis should be given to the adequacy of internal controls to expose any payments, transactions, or procedures that might be deemed illegal or otherwise improper.
14. Arrange for the independent auditor to be available to the Audit Committee and the full Board of Directors as needed.

Financial Reporting Processes

15. In consultation with the independent auditor review the integrity of the organization's financial reporting processes, both internal and external.
16. Consider the independent auditor's judgments about the quality and appropriateness, not just the acceptability, of the Company's accounting principles and financial disclosure practices, as applied in its financial reporting, particularly about the degree of aggressiveness or conservatism of its accounting principles and underlying estimates and whether those principles are common practices or are minority practices.
17. Consider and approve, if appropriate, major changes to the Company's accounting principles and practices as suggested by management with the concurrence of the independent auditor and ensure that the accountants' reasoning is described in determining the appropriateness of changes in accounting principles and disclosure.

Process Improvement

18. Establish regular and separate systems of reporting to the Audit Committee by each of management and the independent auditor regarding any significant judgments made in management's preparation of the financial statements and the view of each as to appropriateness of such judgments.
19. Review the scope and plans of the independent auditor's audit and reviews prior to the audit and reviews being conducted. The Committee may authorize the independent auditor to perform supplemental reviews or audits as the Committee may deem desirable.
20. Following completion of the annual audit and quarterly reviews, review separately with each of management and the independent auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and reviews, including any restrictions on the scope of work or access to required information and the cooperation that the independent auditor received during the course of the audit and reviews.
21. Review any significant disagreements among management and the independent auditor in connection with the preparation of the financial statements.
22. Where there are significant unsettled issues the Committee shall ensure that there is an agreed course of action for the resolution of such matters.
23. Review with the independent auditor and management significant findings during the year and the extent to which changes or improvements in financial or accounting practices, as approved by the Audit Committee, have been implemented. This review should be conducted at an appropriate time subsequent to implementation of changes or improvements, as decided by the Committee.
24. Review activities, organizational structure, and qualifications of the chief financial officer and the staff in the financial reporting area and see to it that matters related to succession planning within the company are raised for consideration at the full Board of Directors.

Ethical and Legal Compliance

25. Review and update periodically a Code of Ethical Conduct and ensure that management has established a system to enforce this Code. Review through appropriate actions taken to ensure compliance with the Code of Ethical Conduct and to review the results of confirmations and violations of such Code.

26. Review management's monitoring of the Company's system in place to ensure that the Company's financial statements, reports and other financial information disseminated to governmental organizations, and the public satisfy legal requirements.
27. Review, with the organization's counsel, legal and regulatory compliance matters, including corporate securities trading policies, and matters that could have a significant impact on the organization's financial statements.

Risk Management

28. Review management's program of risk assessment and steps taken to address significant risks or exposures, including insurance coverage.

General

29. Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. The committee shall be empowered to retain independent counsel, accountants and other professionals to assist it in the conduct of any investigation.
30. Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Committee or the Board deems necessary or appropriate.

Notwithstanding the foregoing and subject to applicable law, the Committee shall not be responsible to plan or conduct internal or external audits or to determine that the Company's financial statements are in accordance with generally accepted accounting principles as these are the responsibility of management and the independent auditor. Nothing contained in this Charter is intended to require the Committee to ensure the Company's compliance with applicable laws or regulations.

**APPENDIX B
REPORTING PACKAGE**



RSM Canada LLP

11 King St W
Suite 700, Box 27
Toronto, ON M5H 4C7

T +1 416 480 0160
F +1 416 480 2646

www.rsmcanada.com

June 5, 2018

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Quebec Securities Commission

Dear Sirs/Mesdames:

Re: Fountain Asset Corp. (the "Company")
Notice of Change of Auditor Pursuant to NI 51-102

We have read the Notice of Change of Auditor dated June 4, 2018 from the Company (the "Notice"), delivered to us in accordance with National Instrument 51-102 and, based on our knowledge of the information at this time, we agree with each statement contained in the Notice.

Yours very truly,

RSM Canada LLP

Chartered Professional Accountants
Licensed Public Accountants

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

June 5, 2018

British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission
Autorite des Marches Financiers

Dear Sirs/Mesdames

Re: Notice of change of auditor (the “Notice”) – Fountain Asset Corp.

We have read the Notice dated June 4, 2018 from Fountain Asset Corp., delivered to us in accordance with National Instrument 51-102 *Continuous Disclosure Obligations* and, based on our knowledge of the information at this time, we agree with each statement contained in the Notice, other than statements 3 and 4 on which we have no basis to agree or disagree.

Yours truly,



**Chartered Professional Accountants
Licensed Public Accountants**

FOUNTAIN ASSET CORP.
25 Adelaide Street East, Suite 1300
Toronto, Ontario
M5C 3A1
(the “Corporation”)

NOTICE OF CHANGE OF AUDITOR
(the “Notice”)

To: RSM Canada LLP, Chartered Professional Accountants
And To: MNP LLP, Chartered Professional Accountants

1. The directors of the Corporation do not propose to re-appoint RSM Canada LLP, Chartered Professional Accountants, as auditors for the Corporation; and
2. The directors of the Corporation propose to appoint MNP LLP, Chartered Professional Accountants, as auditors of the Corporation, effective June 4, 2018, to hold office until the next annual meeting of the Corporation.

In accordance with National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”), the Corporation confirms that:

1. RSM Canada LLP, Chartered Professional Accountants, was asked to resign as auditor of the Corporation, effective June 4, 2018, to facilitate the appointment of MNP LLP, Chartered Professional Accountants, 111 Richmond Street West, Suite 300, Toronto, ON M5H 2G4;
2. RSM Canada LLP, Chartered Professional Accountants, has not expressed any reservation in its reports for the two most recently completed fiscal years of the Corporation, nor for the period from the most recently completed period for which RSM Canada LLP, Chartered Professional Accountants, issued an audit report in respect of the Corporation and the date of this Notice;
3. In the opinion of the Board of Directors of the Corporation, no “reportable event” as defined in NI 51-102 has occurred in connection with the audits of the two most recently completed fiscal years of the Corporation nor any period from the most recently completed for which RSM Canada LLP, Chartered Professional Accountants, issued an audit report in respect of the Corporation and the date of this Notice; and
4. The Notice and Auditor’s Letters have been reviewed by the Audit Committee and the Board of Directors.

Dated the 4th day of June, 2018.

FOUNTAIN ASSET CORP.

“Andrew Parks”

Name: Andrew Parks

Title: CEO

**APPENDIX C
STOCK OPTION PLAN**

FOUNTAIN ASSET CORP.
(the “**Corporation**”)

AMENDED AND RESTATED STOCK OPTION PLAN
(the “**Plan**”)

ARTICLE 1 – INTRODUCTION

1.1 The Plan

The following Plan is the amended and restated stock option plan of the Corporation, which supersedes the stock option plan of the Corporation previously approved by the Board (as defined below) on June 4, 2018, pursuant to which Options (as defined below) to purchase Shares (as defined below) may be granted to Eligible Persons (as defined below).

1.2 Purpose

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentives inherent in share ownership by the directors, management, employees and consultants of the Corporation who, in the judgment of the Board, will contribute to its future growth and success. It is generally recognized that a stock option plan of the nature provided for herein aids the Corporation in retaining and encouraging directors, management, employees and consultants who are considered as potential key contributors to the success of the Corporation, by providing to them the opportunity to acquire a proprietary interest in the Corporation.

1.3 Definitions

Whenever used herein, the following words and expressions shall have the following meanings, namely:

(1) “**Affiliate**” means the following:

a Company is an Affiliate of another Company if:

- (a) one of them is the subsidiary (as such term is described in the *Canada Business Corporations Act*) of the other or both are subsidiaries of the same Company or each of them is controlled by the same Person; or
- (b) both of them are affiliated with the same Company at the same time.

In addition, a Company is “**controlled**” by a Person if:

- (a) securities of the Company to which are attached more than 50% of the votes that be cast to elect directors of the Company are held, other than by way of security only, by or for the benefit of that Person; and
- (b) the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the Company;

(2) “**Board**” means the board of directors of the Corporation as it may be constituted from time to time;

(3) “**Company**” means, unless specifically indicated otherwise, a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

(4) “**Corporation**” means Fountain Asset Corp., a corporation incorporated under the laws of Canada;

(5) “**Eligible Consultant**” means, in relation to the Corporation, an individual (or a Company wholly-owned by an individual) who:

- (a) provides on-going consulting services to the Corporation or an Affiliate of the Corporation under a written contract;
- (b) possesses technical, business or management expertise of value to the Corporation or an Affiliate of the Corporation;
- (c) spends a significant amount of time and attention on the business and affairs of the Corporation or an Affiliate of the Corporation; and

- (d) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (6) “**Eligible Director**” means a director of the Corporation or a director of the Corporation’s subsidiaries to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (7) “**Eligible Employee**” means:
- (a) an individual who is considered an employee under the *Income Tax Act* (Canada) (such as an individual for whom income tax, employment insurance and CPP deductions must be made at the source);
 - (b) an individual who works full-time for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at the source; or
 - (c) an individual who works for the Corporation or a subsidiary of the Corporation on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at the source;
- (8) “**Eligible Management Company Employee**” means a Management Company Employee of the Corporation or a Management Company Employee of the Corporation’s subsidiaries to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (9) “**Eligible Member of Management**” means any senior officer of the Corporation or a subsidiary of the Corporation to whom stock options can be granted in reliance on a prospectus exemption under applicable securities laws;
- (10) “**Eligible Participant**” means Eligible Consultants, Eligible Directors, Eligible Employees, Eligible Management Company Employees and Eligible Members of Management;
- (11) “**Exchange**” means the TSX Venture Exchange Inc. or any other stock exchange on which the Shares become listed, and if inter-listed, the exchange on which the majority of trading activity occurs;
- (12) “**Insider**” has the meaning ascribed thereto by the Exchange;
- (13) “**Investor Relations Activities**” means any activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
- (a) the dissemination of information provided, or records prepared, in the ordinary course of the Corporation:
 - (i) to promote the sale of products and services of the Corporation; or
 - (ii) to raise public awareness of the issuer;that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (b) activities or communications necessary to comply with the requirements of:
 - (i) applicable securities laws; or
 - (ii) the by-laws, rules, policies, or other regulatory instruments of any self-regulatory body or exchange having jurisdiction over the Corporation;
 - (c) communications by a publisher or writer for a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - (i) the communication is only through the newspaper, magazine or publication; and

- (ii) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (d) activities or communications that may be otherwise specified by any exchange having jurisdiction over the Corporation;
- (14) **“Management Company Employee”** means an individual employed by a Person providing management services to the Corporation or a subsidiary of the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation or a subsidiary of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- (15) **“Option”** means an option granted under the terms of the Plan;
- (16) **“Option Agreement”** means the stock option agreement in the form attached to this Plan as Schedule “A”;
- (17) **“Option Period”** means the period during which an Option may be exercised;
- (18) **“Optionee”** means an Eligible Participant to whom an Option has been granted under the terms of the Plan;
- (19) **“Participant”** means, in respect of the Plan, an Eligible Participant who elects to participate in the Plan;
- (20) **“Person”** means a Company or an individual;
- (21) **“Plan”** means the amended and restated stock option plan established and operated pursuant to the terms hereof; and
- (22) **“Shares”** means the subordinate voting shares without par value in the capital of the Corporation from time to time authorized by the charter documents of the Corporation.

ARTICLE 2 – STOCK OPTION PLAN

2.1 Participation

Options shall be granted only to *bona fide* Eligible Participants.

2.2 Determination of Option Recipients

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Participants and may take into consideration the present and potential contributions of a particular Eligible Participant to the success of the Corporation and any other factors which it may deem proper and relevant.

2.3 Price

The exercise price per Share shall be determined from time to time by the Board but, in any event, shall not be lower than the Discounted Market Price (as defined by the Exchange) of the Shares on the day prior to the grant. Any reduction in the exercise price per Share shall be subject to necessary approvals as set out in Section 3.5 below.

2.4 Grant of Options

The Board may at any time and from time to time grant Options to Eligible Participants and for the number of Shares and on such terms and conditions as it considers appropriate provided that such terms and conditions are not inconsistent with the Plan or the policies of the Exchange.

Each Option granted to an Eligible Participant shall be evidenced by an agreement substantially in the form of the Option Agreement with terms and conditions consistent with the Plan and as approved by the Board (which terms and conditions need not be the same in each case).

2.5 Terms of Options

- (a) The Option Period shall not be greater than a period of five (5) years after the date such Option is granted. The Option Period may be reduced with respect to any such Option as provided in Section 2.7 hereof.
- (b) Subject to the other terms and conditions of this Plan (including Section 2.8 hereof), the Board at its discretion may determine when any Option will become exercisable and may determine that the Option be exercisable in instalments. The Board may also establish any vesting schedule relative

to any Options granted hereunder provided that in no event shall Options vest over a time period that is shorter than any time period prescribed by the Exchange.

- (c) Any Options remaining unexercised after they became eligible for exercise may be exercised in whole or in part at any time during the remainder of the Option Period.
- (d) Except as set forth in Section 2.7, no Option may be exercised unless the Options have vested and the Optionee is at the time of such exercise:
 - (i) in the case of an Eligible Employee, in the employ of the Corporation or a subsidiary of the Corporation and shall have been continuously so employed since the grant of his Option, but absence on leave, having the approval of the Corporation, shall not be considered an interruption of employment for any purpose of the Plan;
 - (ii) in the case of an Eligible Director, a director of the Corporation or a subsidiary of the Corporation and shall have been such a director continuously since the grant of his Option;
 - (iii) in the case of an Eligible Member of Management, an Eligible Member of Management of the Corporation or a subsidiary of the Corporation and shall have been such Eligible Member of Management continuously since the grant of his Option;
 - (iv) in the case of an Eligible Management Company Employee, an Eligible Management Company Employee of the Corporation or a subsidiary of the Corporation and shall have been such Eligible Management Company Employee continuously since the grant of his Option; or
 - (v) in the case of an Eligible Consultant, a consultant on retainer (whether full time or part time) by the Corporation, and shall have been continuously so retained since the grant of his Option.
- (e) The exercise of any Option will be contingent upon receipt by the Corporation of payment of the full purchase price for the Shares being purchased in cash or by cheque. No Optionee or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him or them under the terms of the Plan.

2.6 Lapsed Option

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options to the extent permitted by the Exchange.

2.7 Effect of Termination of Relationship

- (a) If an Optionee shall die while an Eligible Employee, Eligible Director, Eligible Consultant (if an individual), Eligible Member of Management or Eligible Management Company Employee, any vested Option held by him at the date of death shall be exercisable if the Option was issued 10 days or more prior to the date of death, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution. All such Options shall be exercisable only for a period of one year after the date of death or prior to the expiration of the Option Period in respect thereof whichever is sooner.
- (b) If an Optionee ceased to be an Eligible Employee, Eligible Director, Eligible Consultant (if an individual), Eligible Member of Management or Eligible Management Company Employee for cause, no Option held by such Optionee may be exercised following the date on which such Optionee ceases to be an Eligible Employee, Eligible Director, Eligible Consultant (if an individual), Eligible Member of Management or Eligible Management Company Employee, as the case may be.
- (c) If an Optionee ceased to be an Eligible Employee, Eligible Director, Eligible Consultant, Eligible Member of Management or Eligible Management Company Employee for any reason other than cause or death, any vested Option held by such Optionee may be exercised within 90 days, or 30 days in the case of Participants engaged in Investor Relations Activities, following the date on

which such Optionee ceases to be an Eligible Employee, Eligible Director, Eligible Consultant (if an individual), Eligible Member of Management or Eligible Management Company Employee, as the case may be, provided such date is no later than the expiration of the applicable Option Period.

- (d) If an Optionee who is an Eligible Consultant ceased to be retained by the Corporation by virtue of a breach of the consulting agreement or the expiry thereof, or such retainer is otherwise terminated (other than for reasons set forth in Sections 2.7(a), (b) or (c) above), no Option held by such Eligible Consultant may be exercised following such breach, expiry or termination, as the case may be.

2.8 Effect of Takeover Bid

If a bona fide offer (the “**Offer**”) for Shares is made to all shareholders of the Corporation generally or for 100 percent of a class of shareholders which includes the Optionee, which Offer, if accepted in whole or part, would result in the offeror exercising control over the Corporation within the meaning of the *Securities Act* (Ontario), then the Corporation shall, immediately upon receipt of notice of the Offer, notify each Optionee currently holding an Option of the Offer, with full particulars thereof, whereupon, subject to approval of the Exchange, notwithstanding that such Option may not be fully vested at such time in accordance with Section 2.5 hereof, such Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Shares received upon such exercise (the “**Optioned Shares**”) pursuant to the Offer. If:

- (a) the Offer is withdrawn by the offeror; or
- (b) the Optionee does not tender the Optioned Shares pursuant to the Offer; or
- (c) all of the Optioned Shares tendered by the Optionee pursuant to the Offer are not taken up and paid for by the offeror in respect thereof,

then the Optioned Shares or, in the case of Section 2.8(c) above, the Optioned Shares that are not taken up and paid for, shall be returned by the Optionee to the Corporation and reinstated as authorized but unissued Shares and the terms of the Option as set forth in Section 2.5 shall again apply to the Option. If any Optioned Shares are returned to the Corporation under this Section, the Corporation shall refund the exercise price to the Optionee for such Optioned Shares. In no event shall the Optionee be entitled to sell the Optioned Shares otherwise than pursuant to the Offer.

2.9 Withholding Taxes

The Corporation may, in its sole discretion, adopt and apply from time to time such rules and guidelines that in its opinion will facilitate the Corporation’s compliance with applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or any other deductions in respect of the amount, if any, included in the income of a Participant in connection with the exercise of any option (the “**Withholding Obligation**”). Without limiting the generality of the foregoing, the Corporation may refuse to honour the exercise of an Option unless the Participant pays to the Corporation the Withholding Obligation. Subject to the Plan and applicable law, the Board may, in its sole discretion, permit the Participant to satisfy the Withholding Obligation in whole or in part, by paying cash or by electing to have the Corporation withhold Shares in such amounts as are equivalent to the market price in order to satisfy the withholding obligation. In the event that such Participant has not paid to the Corporation a sum sufficient for the Corporation to comply with such Withholding Obligation, the Corporation shall have the right to: (a) withhold from any Shares issuable pursuant to an Option or from any cash amounts otherwise due or to become due from the Corporation to the Participant an amount equal to such Withholding Obligation, and such withheld Shares shall be cancelled if required by any applicable law or regulatory authority; or (b) deduct from any Option any other amounts due from the Participant to the Corporation.

2.10 Effect of Amalgamation, Consolidation or Merger

If the Corporation amalgamates, consolidates or merges (including by way of an arrangement) with or into another corporation, any Shares receivable on the exercise of an Option shall be converted into the securities, property or cash which the Participant would have received upon such amalgamation, consolidation or merger if the Participant had exercised his Option immediately prior to the record date applicable to such amalgamation, consolidation or merger, and the Option price shall be adjusted appropriately by the Board and such adjustment shall be binding for all purposes of the Plan.

2.11 Adjustment in Shares Subject to the Plan

If there is any change in the Shares through a consolidation, subdivision or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the purchase price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan.

2.12 Approval

The terms of the Options granted from time to time hereunder, and the Optionees to whom Options are granted, are subject, if applicable, to the Exchange accepting notice of such terms and proposed Optionees.

2.13 Expiry During Blackout Period

Notwithstanding the provisions of Section 2.5 or any other provision herein, no Option shall terminate and cease to be exercisable and no Option Period shall end, whether as a result of the cessation of employment of an Optionee or otherwise, prior to the tenth business day following the cessation of any restricted trading period imposed by the Corporation by which any Insiders of the Corporation are prohibited from trading in securities of the Corporation (a “**Trading Blackout**”) then in effect, and if a Trading Blackout is not then in effect, prior to the tenth business day following cessation of the most recent Trading Blackout.

ARTICLE 3 – GENERAL

3.1 Number of Shares

The aggregate number of Shares that may be available for issuance, from time to time, under the Plan shall not exceed 10% of the issued and outstanding Shares. The aggregate number of Shares so available for issuance under the Plan to any one person shall not exceed 5% of the issued and outstanding Shares (on a non-diluted basis) in any 12 month period (including the Shares that are subject to such Option). The aggregate number of Shares so available for issuance to Insiders of the Corporation under the Plan shall not exceed 10% of the issued and outstanding Shares (on a non-diluted basis) in any 12 month period (including the Shares that are subject to such Option). The aggregate number of Shares so available for issuance under the Plan to any Eligible Consultant shall not exceed 2% of the issued and outstanding shares (on a non-diluted basis) in any 12 month period (including the Shares that are subject to such Option). The aggregate number of Options granted to persons employed in Investor Relations Activities shall not exceed 2% of the issued and outstanding shares (on a non-diluted basis) in any 12 month period (including the Shares that are subject to such Option).

3.2 Transferability and Assignability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein.

During the lifetime of a Participant all benefits, rights and options may only be exercised by the Participant, except as provided for under Section 2.7(a) of this Plan.

3.3 Employment

Nothing contained in the Plan shall confer upon any Participant any right with respect to employment or continuance of employment or any retainer with the Corporation or interfere in any way with the right of the Corporation to terminate the Participant’s employment or retainer at any time. Participation in the Plan by a Participant is voluntary.

3.4 Record Keeping

The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Participant; and
- (b) the number of Options granted to a Participant and the number of Options outstanding.

3.5 Necessary Approvals

The Plan shall be effective only upon the approval of the Exchange and, if required by such Exchange, of the shareholders of the Corporation.

The obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to the approval of any governmental or securities regulatory authority having jurisdiction which may be required in connection with the authorization or issuance of such Shares by the Corporation. If any Shares cannot be issued to any Participant for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Option price paid to the Corporation shall be returned to the Participant.

Disinterested shareholder approval as required by the policies of the Exchange shall be obtained for any reduction in the exercise price per Share if the Eligible Participant is an Insider of the Corporation at the time of the proposed amendment.

3.6 Administration of the Plan

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate directors and/or officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

3.7 Income Taxes

As a condition of the Plan, the Corporation will withhold from any remuneration otherwise payable to such Participant any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

3.8 Amendments to Plan

The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including any rules of the Exchange, the Board may also, at any time, amend or revise the terms of this Plan and any Option Agreement. No such amendment of this Plan or Option Agreement may be made if such amendment would materially and adversely impair any rights arising from any Options previously granted to a Participant under this Plan without the consent of the Participant or the representatives of his or her estate, as applicable.

3.9 Representation or Warranty

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

3.10 Governing Law

The Plan shall be governed by the laws of the Province of Ontario excluding any conflicts of law, rule or principle which might refer such construction to the laws of another jurisdiction.

3.11 Interpretation

Words used herein importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

3.12 Compliance with Applicable Laws

If any provision of the Plan or any agreement entered into pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of the Exchange, if applicable, or any regulatory body having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

SCHEDULE "A"



STOCK OPTION AGREEMENT

THIS AGREEMENT made as of the ● day of ●, 20●.

B E T W E E N :

●, of the City of ●, in the Province of Ontario (herein referred to as the "Optionee")

OF THE FIRST PART

- and -

FOUNTAIN ASSET CORP., incorporated under the laws of Canada (herein referred to as the "Corporation")

OF THE SECOND PART

WHEREAS the Corporation has established a an amended and restated stock option plan (hereinafter referred to as the "Plan") for the granting of stock options, a copy of which has been provided to the Optionee;

AND WHEREAS the Board of Directors of the Corporation has authorized the granting to the Optionee pursuant to the Plan of an option to purchase subordinate voting shares in the capital of the Corporation in the number, at the time, at and for the price and upon the other terms and conditions hereinafter contained;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements herein set forth, and for other good and valuable consideration (the receipt whereof is hereby acknowledged by the Corporation), the parties hereto agree as follows:

ARTICLE 1 – DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, the following words and expressions, shall have the following meanings:

- (1) "Expiry Date" shall mean ●;
- (2) "Option Shares" means the Shares the Optionee is entitled to purchase under this Agreement; and
- (3) "Share" means a subordinate voting share of the Corporation as constituted on the date hereof.

ARTICLE 2 – GRANT OF OPTION

2.1 The Corporation hereby grants to the Optionee, subject to the terms and conditions hereinafter set out, an Option to purchase up to ● Shares of the Corporation at a price of \$● per Share.

2.2 The Option is granted in accordance with and subject to the terms and conditions of the Plan.

2.3 The Option to purchase the Option Shares granted hereby may be exercised in accordance with the terms hereof and the Plan until the Expiry Date, as follows:

- (a) Subject to the other terms hereof, entitlement to purchase shares under the Option will vest in three equal amounts on date of this grant and the first and second anniversary of the date of this grant, except as may otherwise be determined by the board of directors. If in calculating "three equal amounts" the quotient results in a fractional amount, the number vested will round down to the next whole share amount and the partial shares accumulated and vested as part of the final year's amount. Entitlements that have vested may be exercised in accordance with the provisions of the Plan.
- (b) Subject to the other terms hereof, the vested portion of the Option may be exercised in whole or in part and at any time from time to time until the Expiry Date.
- (c) If the Optionee ceases to be an Eligible Participant (as defined in the Plan) for any reason other than cause or death, any vested Option held by such Optionee may be exercised until the earlier of (i) 90 days of the Optionee ceasing to be an Eligible Participant and (ii) the Expiry Date.

2.4 Subject to sooner termination in accordance with the terms of the Plan, the Option shall expire and terminate upon the Expiry Date as to such of the Option Shares in respect of which the Option has not then been exercised.

ARTICLE 3 – RESERVATION OF SHARES

3.1 The Corporation shall at all times during the term of this Agreement, keep available a sufficient number of unissued Shares in its authorized capital equal to those of the Option Shares which have not been issued.

ARTICLE 4 – ASSIGNMENT OF ENUREMENT

4.1 The Option is personal to the Optionee and non-assignable and neither this Agreement nor any rights hereunder shall be transferable or assignable by the Optionee except as expressly permitted under the terms of the Plan.

4.2 This Agreement shall enure to the benefit and be binding upon the parties hereto and their permitted successors and assigns.

ARTICLE 5 – EXERCISE OF THE OPTION

5.1 The Option may be exercised by the Optionee by delivery of written notice of such exercise and by tendering therewith payment for the purchase price of the Option Shares to be purchased, together with the Corporation's estimate of the amount of tax required to be withheld and remitted by the Corporation, in cash, by cheque or in any other manner that is acceptable to the Corporation and that is permitted by law, to the Corporation at its principal office in the City of Toronto, in the Province of Ontario, or at such other place as may be directed by notice in writing from the Corporation to the Optionee from time to time. Such notice shall state the number of Option Shares with respect to which the Option is then being exercised. The Option shall be deemed for all purposes to have been exercised to the extent stated in such notice upon delivery of the notice and a tender of payment in full for the Option Shares being purchased notwithstanding any delay in the issuance and delivery of the certificate(s) for the Shares so purchased. The Corporation shall, within a reasonable period of time, issue the Shares so purchased in the name of the Optionee and deliver the certificate(s) therefor to the Optionee.

ARTICLE 6 – RIGHTS OF THE OPTIONEE PRIOR TO THE EXERCISE DATE

6.1 The Option herein granted shall not entitle the Optionee to any right whatsoever as a shareholder of the Corporation with respect to any Option Shares subject to the Option until it has been exercised and the Option Shares thereby purchased have been issued as fully paid and non-assessable.

6.2 Nothing contained in this Agreement or done pursuant hereto shall obligate the Optionee to purchase and/or pay for any Option Shares except those Option Shares in respect of which the Optionee shall have validly exercised this Option.

ARTICLE 7 – REGULATORY APPROVAL

7.1 Notwithstanding anything to the contrary in this Agreement, the Optionee hereby agrees that the Optionee will not exercise the Option, and that the Corporation will not be obliged to issue any Shares hereunder, if the exercise of the Option or the issuance of the Shares shall constitute a violation by the Optionee or the Corporation of any provision of any law or regulation or of any order, regulation, policy or rule of any governmental authority, regulatory body or stock exchange. Any determination in this connection made by the Board of Directors of the Corporation shall be final, binding and conclusive.

7.2 The Corporation shall in no event be obliged, by any act of the Optionee or otherwise, to issue, register or qualify for resale any securities issuable upon exercise of the Option pursuant to a prospectus or similar document or to take any other affirmative action in order to cause the exercise of the Option or the issue or resale of the Shares issuable pursuant thereto to comply with any law or regulation or any order, regulation, policy or rule of any governmental authority, regulatory body or stock exchange; provided that the Corporation shall notify the TSX Venture Exchange and other appropriate regulatory bodies in Canada of the existence of the Option and any exercise thereof.

ARTICLE 8 – ACKNOWLEDGEMENT OF PERSONAL INFORMATION

8.1 "Personal Information" means any information about an identifiable individual, and includes the information contained in this Agreement.

- 8.2 The Optionee hereby consents to:
- (a) the disclosure of Personal Information by the Corporation to the TSX Venture Exchange; and
 - (b) the collection, use and disclosure of Personal Information by the TSX Venture Exchange for the purposes described in Appendix 6A attached or as otherwise identified by the TSX Venture Exchange, from time to time.

ARTICLE 9 – FURTHER ASSURANCES

9.1 The parties hereto covenant that they shall and will from time to time and at all times hereafter do and perform all such acts and things and execute all such deeds, documents and writings as may be required to give effect to the true intent of this Agreement.

ARTICLE 10 – INTERPRETATION AND GENERAL

10.1 It is understood and agreed by the parties hereto that questions may arise as to the interpretation, construction or enforcement of this Agreement or the Plan and the parties are desirous of having the Board of Directors of the Corporation determine any such question or interpretation, construction or enforcement. It is, therefore, understood and agreed by and between the parties hereto that any question arising under the terms of this Agreement or the Plan as to interpretation, construction or enforcement shall be referred to the Board of Directors of the Corporation and their majority decision shall be final and binding on both of the parties hereto.

10.2 Neither the Corporation nor its directors or officers, or any of them, shall be liable to the Optionee or to the Optionee's personal representatives by reason of any loss or anticipated loss of economic benefit by reason of any action or event, whether or not concurred in by them, which has the effect of curtailing or abrogating the benefits which have accrued or might have accrued to the Optionee hereunder, including, without limitation, the voluntary or involuntary winding up of the Corporation, the sale of all or substantially all of its assets, the delisting of the Shares from public trading, or any decline in the value of the Shares for any reason whatsoever.

10.3 The payment of all income taxes or other taxes or assessments in the nature of taxes levied upon the Optionee as a result of the granting or exercise of the Option shall be solely the responsibility of the Optionee.

10.4 In this Agreement, words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

10.5 This Agreement, including any schedules annexed hereto, constitute the entire agreement between the parties hereto and there are no oral statements, representations, warranties, undertakings or agreements between the parties modifying the provisions of this Agreement. No supplement, amendment, modification, waiver or termination of this Agreement shall be binding unless executed in writing by the parties hereto.

10.6 Time shall be of the essence of this Agreement.

ARTICLE 11 – GOVERNING LAW

11.1 Except as otherwise set forth in the Plan, this Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario excluding any conflicts of law, rule or principle which might refer such construction to the laws of another jurisdiction.

11.2 Each of the parties hereto hereby irrevocably attorns to the jurisdiction of the Courts of the Province of Ontario and the Supreme Court of Canada.

ARTICLE 12 – NOTICES

12.1 Any notice to be given pursuant to the provisions hereof shall be conclusively deemed to have been given and received by a party hereto and to be effective on the day on which it is delivered to such party at the addresses set forth below (or at such other address that such party shall supply to the other parties in writing) or if sent by mail, on the fifth business day after the day on which mailed, addressed to such party at said address:

- (a) If to the Optionee, at
 -
- (b) If to the Corporation, at

Fountain Asset Corp.
25 Adelaide Street East
Suite 1300
Toronto, Ontario
M5C 3A1

Attention: ●

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

SIGNED, SEALED & DELIVERED in the)
presence of:)
)
)
)
)
)
)

Witness

●

FOUNTAIN ASSET CORP.

Per: _____

Authorized Signing Officer



APPENDIX 6A

ACKNOWLEDGEMENT – PERSONAL INFORMATION

TSX Venture Exchange Inc. and its affiliates, authorized agents, subsidiaries and divisions, including the TSX Venture Exchange (collectively referred to as “the Exchange”) collect Personal Information in certain Forms that are submitted by the individual and/or by an Issuer or Applicant and use it for the following purposes:

- to conduct background checks,
- to verify the Personal Information that has been provided about each individual,
- to consider the suitability of the individual to act as an officer, director, insider, promoter, investor relations provider or, as applicable, an employee or consultant, of the Issuer or Applicant,
- to consider the eligibility of the Issuer or Applicant to list on the Exchange,
- to provide disclosure to market participants as to the security holdings of directors, officers, other insiders and promoters of the Issuer, or its associates or affiliates,
- to conduct enforcement proceedings, and
- to perform other investigations as required by and to ensure compliance with all applicable rules, policies, rulings and regulations of the Exchange, securities legislation and other legal and regulatory requirements governing the conduct and protection of the public markets in Canada.\

As part of this process, the Exchange also collects additional Personal Information from other sources, including but not limited to, securities regulatory authorities in Canada or elsewhere, investigative, law enforcement or self-regulatory organizations, regulations services providers and each of their subsidiaries, affiliates, regulators and authorized agents, to ensure that the purposes set out above can be accomplished.

The Personal Information the Exchange collects may also be disclosed:

- (a) to the agencies and organizations in the preceding paragraph, or as otherwise permitted or required by law, and they may use it in their own investigations for the purposes described above; and
- (b) on the Exchange’s website or through printed materials published by or pursuant to the directions of the Exchange.

The Exchange may from time to time use third parties to process information and/or provide other administrative services. In this regard, the Exchange may share the information with such third party service providers.