

**MEDALLION RESOURCES LTD.**

Suite 1160 – 595 Howe Street  
Vancouver, B.C. V6C 2T5

**2018  
ANNUAL  
GENERAL MEETING**

Notice of Annual General Meeting of Shareholders  
Management Information Circular  
Form of Proxy and Notes Thereto  
Return Card

**Place:** Suite 1160 - 595 Howe Street  
Vancouver, British Columbia

**Time:** 10:00 am

**Date:** Thursday, September 6, 2018

**MEDALLION RESOURCES LTD.**  
Suite 1160 - 595 Howe Street  
Vancouver, British Columbia, V6C 2T5  
(604) 681-9558

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that the Annual General Meeting (the "Meeting") of the Shareholders of Medallion Resources Ltd. (hereinafter called the "Company") will be held in Suite 1160 – 595 Howe Street, Vancouver, British Columbia, on Thursday, the 6<sup>th</sup> day of September, 2018 at the hour of 10:00 in the morning (local time), for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the fiscal year ended March 31, 2018, together with the report of the auditors thereon;
2. To determine the number of directors at five;
3. To elect directors;
4. To re-appoint the auditors and to authorize the directors to fix their remuneration;
5. To ratify, confirm and approve the Company's Stock Option Plan, as more particularly described in the accompanying Information Circular; and
6. To transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Accompanying this Notice is the Company's Information Circular, a form of Proxy (or voting instruction form if you hold common shares through a broker or other intermediary) and a Financial Statement Request Form. The accompanying Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Shareholders are entitled to vote at the Meeting either in person or by proxy. If you are a registered shareholder of the Company and are unable to attend the Meeting in person, you are requested to read, complete, sign and mail the enclosed form of Proxy in accordance with the instructions set out in the form of Proxy and in the Information Circular accompanying this Notice. Please advise the Company of any change in your mailing address.

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

Only holders of common shares of record as at the close of business on August 1, 2018 will be entitled to vote at the Meeting.

DATED at Vancouver, British Columbia, this 1<sup>st</sup> day of August, 2018.

BY ORDER OF THE BOARD  
(signed) "Donald Lay"  
Chief Executive Officer  
and President

## **MEDALLION RESOURCES LTD.**

### **CORPORATE DATA**

#### **Head Office**

Suite 1160 – 595 Howe Street  
Vancouver, British Columbia  
V6C 2T5

#### **Directors and Officers**

Donald M. Lay – Chief Executive Officer, President & Director  
Thomas Arnould – Chief Financial Officer and Corporate Secretary  
David A. Haber – Chairman and Director  
Rod McKeen – Director  
Andrew Morden – Director  
David Shaw – Director

#### **Registrar and Transfer Agent**

Computershare Investor Services Inc.  
3<sup>rd</sup> Floor – 510 Burrard Street  
Vancouver, British Columbia  
V6C 3B9

#### **Legal Counsel**

Maxis Law Corporation (formerly - Axiom Law Corporation)  
Suite 910, 800 West Pender Street  
Vancouver, British Columbia  
V6C 2V6

#### **Auditors**

Davidson & Company LLP  
1200-609 Granville Street  
Vancouver, British Columbia  
V7Y 1G6

#### **Securities Exchange Listings**

TSX Venture Exchange  
Symbol “MDL”

**MEDALLION RESOURCES LTD.**  
**Suite 1160 – 595 Howe Street**  
**Vancouver, B.C.**  
**V6C 2T5**

**INFORMATION CIRCULAR**

(Containing information as at August 1, 2018 unless indicated otherwise)

**SOLICITATION OF PROXIES**

This Management Information Circular (“Information Circular”) is furnished in connection with the solicitation of proxies by the management of Medallion Resources Ltd. (the “Company” or “Corporation”) for use at the Annual General Meeting of Shareholders of the Company (and any adjournment thereof) to be held on Thursday, September 6, 2018 (the “Meeting”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors and officers of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

**APPOINTMENT OF PROXYHOLDER**

The individuals named in the accompanying form of proxy are Donald M. Lay, Chief Executive Officer, President and a Director of the Company and David Haber, Chairman of the Board of Directors of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY.** A proxy will not be valid unless the completed form of proxy is received by **COMPUTERSHARE INVESTOR SERVICES INC.**, Proxy Dept, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, at least 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment(s) or postponement(s) thereof. Proxies delivered after that time will not be accepted.

**REVOCAION OF PROXIES**

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the registered office of the Company, at Suite 1160 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5 at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

**ADVICE TO BENEFICIAL SHAREHOLDERS**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their shares in their own name (referred to herein as “Beneficial Shareholders”) are advised that only proxies from shareholders of record can be recognized and voted at the Meeting.** Beneficial Shareholders who complete and return an instrument of proxy must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder. Every intermediary (broker) has its own mailing procedure, and provides its own return instructions, which should be carefully followed. The instrument of proxy supplied to Beneficial Shareholders is identical to that provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in such shareholder's name on the records of the Company. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers/nominees are prohibited from voting shares for their clients. The directors and officers of the Company do not know for whose benefit the common shares registered in the name of CDS & Co. are held.

In accordance with National Instrument 54-101 of the Canadian Securities Administrators, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy to the clearing agencies and intermediaries for onward distribution to Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings unless the Beneficial Shareholders have waived the right to receive meeting materials. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the Beneficial Shareholder, should a Beneficial Shareholder receiving such a form wish to vote at the Meeting, the Beneficial Shareholder should strike out the names of the Management Proxyholders named in the form and insert the Beneficial Shareholder's name in the blank provided. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote common shares directly at the Meeting – the proxy must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted.**

These Meeting materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send this Information Circular to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering the Information Circular 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 not pay for intermediaries to deliver the Notice of Meeting, Information Circular and voting instruction form to objecting Beneficial Shareholders, and objecting Beneficial Shareholders will not receive the Meeting materials unless their intermediary assumes the cost of delivery.

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

## **VOTING OF PROXIES**

**SHARES REPRESENTED BY PROPERLY EXECUTED PROXIES IN FAVOUR OF PERSONS DESIGNATED IN THE ENCLOSED FORM OF PROXY WILL BE VOTED FOR ALL MATTERS TO BE VOTED ON AT THE MEETING AS SET OUT IN THIS INFORMATION CIRCULAR OR WITHHELD FROM VOTING IF SO INDICATED ON THE FORM OF PROXY.**

The common shares represented by proxies will, on any poll where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made.

SUCH COMMON SHARES WILL ON A POLL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter which may be presented to the Meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

Authorized Capital: Unlimited number of common shares without par value  
Issued and Outstanding: 30,216,472<sup>(1)</sup> common shares without par value

(1) The Company completed a consolidation of its common shares on a 4:1 basis effective July 28, 2017. This amount represents common shares outstanding on a post consolidation basis as of August 1, 2018.

Only shareholders of record at the close of business on August 1, 2018, (the “Record Date”) who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders, or who is holding a proxy on behalf of a shareholder who is not present at the Meeting, will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each common share registered in his name on the list of shareholders, which is available for inspection during normal business hours at Computershare Investor Services Inc., and will be available at the Meeting.

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

### **ELECTION OF DIRECTORS**

The board of directors of the Company (the “Board of Directors” or “Board”) presently consists of five and it is intended to determine the number of directors at five for the ensuing year. Shareholder approval will be sought at the Meeting to determine the number of directors at five.

Pursuant to the Advance Notice Policy adopted by the Board of Directors on September 25, 2013, which was ratified and confirmed by Shareholders at the annual and special meeting of Shareholders held on September 25, 2013 and is filed on SEDAR under the Corporation’s profile at [www.sedar.com](http://www.sedar.com), any additional director nominations for the Meeting must have been received by the Corporation in compliance with the Advance Notice Policy on or before the close of business on July 12, 2018. No such nominees have been received.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management’s nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company, or with the provisions of the *Business Corporations Act* (British Columbia).

The following table and notes thereto sets out the names of each person proposed to be nominated by management for election as a director, the municipality in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation or employment during the past five years if such nominee is not presently an elected director, the period of time for which he has been a director of the Company, and the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

<b>Name, Position, Province or State and Country of Residence<sup>(1)</sup></b>	<b>Principal Occupation and if not at Present an Elected Director, Occupation during the past 5 years</b>	<b>Previous Service as a Director</b>	<b>Number of Shares Owned or Controlled<sup>(2)</sup></b>
<b>Donald M. Lay<sup>(3)</sup></b> Chief Executive Officer, President and Director, Vancouver, BC, Canada	Chief Executive Officer, President and Director of the Company	Apr 25/01	2,030,553 common shares <sup>(5)</sup>
<b>David A. Haber<sup>(3)(4)</sup></b> Chairman of the Board of Directors, Vancouver, BC, Canada	Honorary Consul General for the Republic of Austria.  Principal, Adler Business Solutions Inc., a private consulting company	Feb 9/05	330,741 common shares <sup>(6)</sup>
<b>Rod C. McKeen<sup>(4)</sup></b> Director, North Vancouver, BC, Canada	Retired lawyer	Sept 13/06	279,875 common shares <sup>(7)</sup>
<b>Andrew Morden<sup>(3)(4)</sup></b> Director, Vancouver, BC, Canada	CEO, Corvus Energy, a private maritime energy storage company	Jan 18/09	26,875 common shares
<b>David Shaw</b> Director, Vancouver, BC, Canada	Board member – First Majestic Silver Corp., a mining company, and Great Quest Fertilizer Ltd., a mineral exploration company.  Board member – First Mining Finance Corp. (formerly Albion Petroleum Ltd.), a mineral property holding company.	July 8, 2014	500,000 common shares

(1) The information as to country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually.

(2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually. The Company completed a consolidation of its common shares on a 4:1 basis effective July 28, 2017. The above table represents common shares held on a post-consolidation basis which may need to be adjusted to reflect the treatment of any fractional shares that resulted upon the effective date of the share consolidation.

- (3) Denotes member of Audit Committee.
- (4) Denotes member of the Compensation Committee.
- (5) 1,206,678 common shares held by Donald Lay. 106,750 common shares held by Evster Holdings Ltd., a private company controlled by Donald Lay and 663,125 common shares held by Charlene Warrington, the spouse of Donald Lay. Mr. Lay has control or direction over these shares.
- (6) 184,116 common shares held by David Haber. 146,625 common shares held by Carla Haber, Mr. Haber has control or direction over these shares
- (7) 32,500 common shares held by Rod McKeen. 46,875 common shares held by Beverly McKeen the spouse of Rod McKeen. 200,500 common shares held by Rod McKeen Investment Corporation (formerly Rod McKeen Law Corporation), a private company controlled by Rod McKeen. Mr. McKeen has control or direction over these shares.

The Company does not have an executive committee.

A Shareholder can vote for all of the proposed nominees for directors of the Company, vote for some of the proposed nominees and withhold for others, or withhold from voting for all or any of the proposed nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company.**

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Other than set out below, no proposed director of the Company is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company), that:

- (a) was subject to 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, for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to 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, for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

On May 11, 2009 a Cease Trade Order for failure to file audited financial statements was issued by the British Columbia Securities Commission and on August 11, 2009 a Cease Trade Order for failure to file audited financial statements was issued by the Alberta Securities Commission against Contec Innovations Inc., a company listed on the TSX Venture Exchange (the "Exchange"), of which Donald Lay, the Chief Executive Officer, President and a Director of the Company, was an officer and director.

Other than as set out below, no proposed director of the Company:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information 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; or
- (b) has, within 10 years before the date of this Information 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.

On February 5, 2009 KPMG was appointed the receiver for the assets of Contec Innovations Inc., a company listed on the Exchange, of which Donald Lay, the Chief Executive Officer, President and a Director of the Company, was an officer and director.

No proposed director of the Company has been subject to:

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

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Director and Named Executive Officer Compensation**

In this section, “Named Executive Officer” or “NEO” means:

- a) The Company’s Chief Executive Officer (“CEO”), including an individual performing functions similar to a CEO;
- b) The Company’s Chief Financial Officer (“CFO”), including an individual performing functions similar to a CFO;
- c) The most highly compensated executive officer of the Company, and its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and
- d) Each individual who would be an NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company and was not acting in a similar capacity, at the end of that financial year.

During the Company’s financial year ended March 31, 2018, the Company had two NEOs, Donald Lay, the CEO and President and Thomas Arnould, the CFO and Corporate Secretary of the Company. The Company has no other executive officers to whom it directly paid cash or non-cash compensation. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*” for details of certain management contracts.

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

### Table of Compensation Excluding Compensation Securities

The following table provides a summary of compensation paid or accrued, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company or a subsidiary of the Company to each Named Executive Officer and director of the Company during the Company's two fiscal years ended March 31, 2018 and 2017:

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites	Value of all other compensation (\$)	Total compensation (\$)
Donald Lay <sup>(1)</sup> CEO, President and Director	2018	144,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	144,000
	2017	144,000 <sup>(1)</sup>	Nil	Nil	Nil	Nil	144,000
Thomas Arnould Chief Financial Officer and Corporate Secretary	2018	45,240 <sup>(2)</sup>	Nil	Nil	Nil	Nil	45,240
	2017	39,540 <sup>(2)</sup>	Nil	Nil	Nil	Nil	39,540
David Haber Chairman of the Board of Directors	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Rod McKeen Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Andrew Morden Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
David Shaw Director	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Payable as management fees to Mr. Lay's personal corporation, Evster Holdings Ltd. ("Evster"). These amounts were accrued as at the end of each applicable fiscal year end. No amount was paid to Mr. Lay in his capacity as a director. See "Statement of Executive Compensation – Employment, Consulting and Management Agreements".
- (2) Paid or payable to Mr. Arnould or to Mr. Arnould's personal corporation, Cerulean Financial Ltd. ("Cerulean") as consulting fees. Of these amounts, \$Nil was accrued as at the fiscal year ended March 31, 2018 and \$35,788 was accrued as at the fiscal year ended March 31, 2017.

## Stock Options and Other Compensation Securities

### Table of Compensation Securities

The following table discloses all compensation securities granted or issued to each Named Executive Officer and director by the Company or one of its subsidiaries during the year ended March 31, 2018 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying <sup>(1)</sup> securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Donald Lay <sup>(2)</sup> CEO and Director	Stock options	533,250 533,250 1.76%	March 21, 2018	\$0.13	\$0.13	\$0.14	March 21, 2023
Thomas Arnould <sup>(3)</sup> Chief Financial Officer and Corporate Secretary	Stock options	54,250 54,250 0.18%	March 21, 2018	\$0.13	\$0.13	\$0.14	March 21, 2023
David Haber <sup>(4)</sup> Chairman of the Board of Directors	Stock options	75,000 75,000 0.25%	March 21, 2018	\$0.13	\$0.13	\$0.14	March 21, 2023
Rod McKeen <sup>(5)</sup> Director	Stock options	60,000 60,000 0.20%	March 21, 2018	\$0.13	\$0.13	\$0.14	March 21, 2023
Andrew Morden <sup>(6)</sup> Director	Stock options	75,000 75,000 0.25%	March 21, 2018	\$0.13	\$0.13	\$0.14	March 21, 2023
David Shaw <sup>(7)</sup> Director	Stock options	60,000 60,000 0.20%	March 21, 2018	\$0.13	\$0.13	\$0.14	March 21, 2023

- (1) Each outstanding stock option of the Company entitles the holder thereof to acquire, upon exercise, one common share in the capital of the Company.
- (2) As at March 31, 2018 Mr. Lay held 1,058,250 stock options of the Company entitling him to acquire, upon exercise, 1,058,250 common shares in the capital of the Company. All outstanding stock options have fully vested.
- (3) As at March 31, 2018, Mr. Arnould held 160,500 stock options of the Company entitling him to acquire, upon exercise, 160,500 common shares in the capital of the Company. All outstanding stock options have fully vested.
- (4) As at March 31, 2018, Mr. Haber held 225,000 stock options of the Company entitling him to acquire, upon exercise, 225,000 common shares in the capital of the Company. All outstanding stock options have fully vested.
- (5) As at March 31, 2018, Mr. McKeen held 185,000 stock options of the Company entitling him to acquire, upon exercise, 185,000 common shares in the capital of the Company. All outstanding stock options have fully vested.
- (6) As at March 31, 2018, Mr. Morden held 225,000 stock options of the Company entitling him to acquire, upon exercise, 225,000 common shares in the capital of the Company. All outstanding stock options have fully vested.

(7) As at March 31, 2018, Mr. Shaw held 185,000 stock options of the Company entitling him to acquire, upon exercise, 185,000 common shares in the capital of the Company. All outstanding stock options have fully vested.

Note: The Company completed a consolidation of its common shares on a 4:1 basis effective July 28, 2017. The above table represents common shares, and common share option amounts and the exercise prices of the options on a post-consolidation basis.

No stock options were exercised by NEOs or directors of the Company during the year ended March 31, 2018.

### **Stock Option Plans and other Incentive Plans**

The Company has an amended stock option plan (the “Stock Option Plan”) which entitles the Company to grant to its directors, officers, employees and consultants, stock options to purchase up to a maximum of 10% of the Company’s issued and outstanding common shares as at the time grant. The Stock Option Plan is prepared in compliance with the policies of the Exchange and is ratified, confirmed and approved by the Company’s shareholders annually. The Stock Option Plan is administered by the Board of Directors. The exercise price for a stock option must not be less than the market price of the common shares of the Company at the time the option is granted, less applicable discounts permitted by the policies of the Exchange. Stock options granted under the Stock Option Plan are exercisable over a period not exceeding five years, subject to earlier termination after certain events such as the option holder’s ceasing to be an option holder, disability or death. The aggregate number of options granted to any option holder in a twelve month period must not exceed 5% of the issued and outstanding common shares of the Company, and the maximum number of options which may be granted to insiders within any twelve month period must not exceed 10% of the issued and outstanding common shares of the Company (unless the Company has obtained disinterested shareholder approval of such grants as required by the Exchange). The aggregate number of options granted to any one consultant of the Company within any 12 month period must not exceed 2% of the issued and outstanding common shares of the Company. Options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued and outstanding common shares of the Company in any 12 month period, calculated at the date an option is granted to any such person, and such options are subject to vesting provisions. The Stock Option Plan does not provide for mandatory vesting provisions of the options. Options granted under the New Plan may contain vesting provisions at the discretion of the Board of Directors.

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

Pursuant to a Consulting Agreement with Evster Holdings Ltd. (“Evster”) (a company owned by Donald Lay, CEO of the Company) and Donald Lay, dated January 1, 2011 and updated October 1, 2014 (the “Evster Consulting Agreement”), Evster is entitled to receive management fees of \$12,000 per month for providing general corporate and administrative services for the Company. During the fiscal year ended March 31, 2018 the Company was charged \$144,000 for management fees by Evster. As at March 31, 2018, \$311,418 of management fees remained as accrued and unpaid. Evster is entitled to receive an amount equal to six months of management fees (currently totalling \$72,000) should the Evster Consulting Agreement be terminated by the Company without cause.

### **Oversight and Description of Named Executive Officer and Director Compensation**

#### *Named Executive Officer Compensation*

The Company has a Compensation Committee which has the sole responsibility of administering compensation policies related to executive management of the Company. It looks at industry standards when compensating the Executive Officers.

The Compensation Committee is made up of David Haber, Chairman of the Board of Directors of the Company, Rod McKeen, Director of the Company, and Andrew Morden, Director of the Company. Mr. Haber, acting as non-executive chairman on a part-time basis and Mr. Morden are independent. Mr. McKeen was Associate Counsel of a law firm that provided legal services to the Company. Effective January 1, 2018, Mr. McKeen is no longer Associate Counsel of the law firm.

Compensation policies and programs are designed to focus on shareholder return and development of the Company. The Company's objective is to attract, motivate and retain highly qualified and competent executives critical to the success of the Company. The NEO's are not compensated in their capacities as executive officers of the Company, except for the granting of stock options, but are compensated for providing management and consulting services to the Company. See "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*".

Subject to the provisions of the Stock Option Plan, the Company may grant stock options that entitle the holders to purchase in total up to a maximum of 10% of the issued and outstanding share capital of the Company at the time the options are granted. As the Company grows, stock options provide participants with a reward for the long term contribution of NEO's and employees towards the growth and success of the Company. The Company's practice is to grant such number of stock options in order to stay close to the authorized maximum of options outstanding by issuing incremental options every year and granting options to new NEO's or employees depending on the circumstances. Options help in retaining NEO's and employees during difficult economic periods when salaries and bonuses are restricted by necessity. The Board of Directors consider such factors as individual performance, the significance of an individual's contribution to the success of the Company, experience and length of service in determining the amounts of options awarded. Previous grants of stock options are taken into account when stock options are granted.

As of the date of this Information Circular, the Stock Option Plan provides the Company with the ability to grant stock options to purchase up to 3,021,647 post-consolidation common shares (10% of shares currently issued and outstanding) of which 2,637,500 post-consolidation common share options are outstanding as at August 1, 2018. During the fiscal year ended March 31, 2018, the Company granted 587,500 post-consolidation equivalent common share stock options to the NEO's.

#### *Director Compensation*

The Compensation Committee determines director compensation from time to time and makes recommendations to the Board of Directors for their approval. Directors are not generally compensated in their capacities as such but the Company may, from time to time, grant to its directors incentive stock options to purchase common shares in the capital of the Company pursuant to the terms of the Stock Option Plan and in accordance with the policies of the Exchange.

#### *Recent Significant Changes to the Company's Compensation Policies*

There have been no significant changes to the Company's compensation policies during the financial year ended March 31, 2018 that could or will have an effect on Named Executive Officer or director compensation.

#### **Pension Plan Benefits**

The Company does not provide retirement benefits for directors or executive officers.

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

During the Company's last completed financial year, no director, executive officer, employee, proposed management nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed management nominee of the Company nor any former director, executive officer or employee of the Company or any of its subsidiaries was or has been indebted to the Company or any of its subsidiaries or has been indebted to another entity where such indebtedness was or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

## **EQUITY COMPENSATION PLAN INFORMATION**

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance in effect as of the Company's most recently completed financial year ended March 31, 2018:

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity Compensation Plans Approved By Shareholders	2,687,500	\$0.22	334,147
Equity Compensation Plans Not Approved By Shareholders	Nil	N/A	N/A
<b>Total:</b>	<b>2,687,500</b>	<b>\$0.22</b>	<b>334,147</b>

Note: The above table represents common share option amounts on a post-consolidation basis.

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

Other than as set forth in this Information Circular and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any shareholder beneficially owning, directly or indirectly, common shares of the Company, or exercising control or direction over common shares of the Company, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding shares of the Company nor an associate or affiliate of any of the foregoing persons has since April 1, 2017 (being the commencement of the Company's most recently completed financial year) to March 31, 2018 any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries, except as follows:

- a) \$144,000 was charged by a private company controlled by Donald Lay, the CEO of the Company, for management fees.
- b) The Company incurred \$12,762 of legal fees to a law firm in which Rod McKeen, a director of the Company, was an Associate Counsel.
- c) The Company paid \$15,900 in rent in connection with an office sub-lease the Company entered into with a company owned by David Haber, a director of the Company.
- d) The Company incurred \$45,240 of consulting fees to a company owned by Thomas Arnould, the CFO of the Company.
- e) The Company repaid a total of \$11,500 on account of a Promissory Note to a company owned by Mr. Haber, a director of the Company. The Promissory Note carries an interest rate of prime plus 3%.

## **MANAGEMENT CONTRACTS**

Other than as described herein, management functions of the Company or any subsidiary of the Company are not, to any substantial degree, performed by a person other than the directors or executive officers of the Company or its subsidiaries. Management functions to the Company were provided under the Evster Consulting Agreement. See “*Statement of Executive Compensation – Employment, Consulting and Management Agreements*” for further information.

## **APPOINTMENT OF AUDITORS**

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants (“Davidson & Company”), as auditors of the Company and to authorize the directors to fix their remuneration. Davidson & Company LLP, Chartered Professional Accountants, has been the auditor of the Company since September 9, 2014.

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

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the ratification of the Stock Option Plan.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 – *Audit Committees* (“NI 52-110”), companies are required to provide disclosure with respect to their audit committee including the text of the audit committee’s charter, composition of the audit committee and the fees paid to the external auditor. Accordingly, the Company provides the following disclosure with respect to its audit committee:

### **Composition of the Audit Committee**

The current members of the Audit Committee are, and following the election of the directors pursuant to this Information Circular, the following are expected to be the members of the Audit Committee:

Andrew Morden (Chair)	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
David Haber	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Donald Lay	Not independent	Financially literate <sup>(2)</sup>

- (1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member’s independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth and 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.

### **The Audit Committee’s Charter**

#### **A. PURPOSE**

The overall purpose of the Audit Committee (the “Committee”) is to ensure that the Corporation’s management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Corporation and to review the Corporation’s compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information.

## **B. COMPOSITION, PROCEDURES AND ORGANIZATION**

1. The Committee shall consist of at least three members of the Board of Directors (the “Board”).
2. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
3. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
4. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
5. The Committee shall have access to such officers and employees of the Corporation and to the Corporation’s external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
6. Meetings of the Committee shall be conducted as follows:
  - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
7. The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

## **C. ROLES AND RESPONSIBILITIES**

1. The overall duties and responsibilities of the Committee shall be as follows:
  - (a) to assist the Board in the discharge of its responsibilities relating to the Corporation’s accounting principles, reporting practices and internal controls and its approval of the Corporation’s annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Corporation’s internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - (i) contents of their report;
    - (ii) scope and quality of the audit work performed;
    - (iii) adequacy of the Corporation's financial and auditing personnel;
    - (iv) co-operation received from the Corporation's personnel during the audit;
    - (v) internal resources used;
    - (vi) significant transactions outside of the normal business of the Corporation;
    - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - (viii) the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
3. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors are to:
- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - (b) review and approve the internal audit plan; and
  - (c) review significant internal audit findings and recommendations, and management's response thereto.
4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
- (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

5. The Committee is also charged with the responsibility to:

- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- (b) review and approve the financial sections of:
  - (i) the annual report to shareholders;
  - (ii) the annual information form;
  - (iii) annual and interim MD&A;
  - (iv) prospectuses;
  - (v) news releases discussing financial results of the Corporation; and
  - (vi) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (e) review and report on the integrity of the Corporation's consolidated financial statements;
- (f) review the minutes of any audit committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

## **Relevant Education and Experience**

### Andrew Morden

Andrew Morden has a Bachelor of Commerce degree with a major in Accounting and Management Information Systems from the University of British Columbia and qualified as a Chartered Accountant in 1992. Mr. Morden worked with KPMG in its audit and advisory services group for 8 years and was a Senior Manager. He went on to work in a financial capacity for public companies for 11 years including serving as a CFO for TSX listed companies for over 5 years. He worked closely with both the boards of directors and audit committees during this time. These positions have required detailed knowledge of, and ability to use financial statements and their required accounting principles and procedures.

### David A. Haber

David Haber completed The Vienna Business School in Vienna, Austria, in 1977. In 1992 Mr. Haber received his CEBS designation from the Advance Management Centre at Dalhousie University and in 1995 he received his Certified Human Resource Practitioner (CHRP) designation from the BC Human Resource Management Association. Accounting and accounting principles were key parts of both curricula. As the CEO of a National Benefits Consulting firm for over 25 years, Mr. Haber has extensive business experience, including managing internal financial controls and accounting procedures. Following a change of control transaction, Mr. Haber became a member of the Executive Committee of a publicly traded company with a market capitalization in excess of \$300 million. Presently Mr. Haber serves as honorary Consul General for the Republic of Austria.

### Donald Lay

Donald Lay graduated from the University of British Columbia in 1983 with a BSc in Computer Science. He spent 14 years in the enterprise software area, much of which was spent with financial and financial analysis systems. He has direct experience with audit analysis procedures as well as General Ledger accounting systems and the principles of accrual accounting. Since the mid-1990's Mr. Lay has been a director and officer of a variety of public and private companies with positions including CEO, Acting CFO, Director as well as at various times being a member of the Audit Committees.

## **Audit Committee Oversight**

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

## **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

## **Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board of Directors to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the Chairman of the Audit Committee deems as necessary who will notify the other members of the Audit Committee of such non-audit or additional work.

### External Auditor Service Fees (By Category)

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

Financial Year Ending	Audit Fees	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2018	\$18,360 <sup>(1)</sup>	-	-	-
2017	\$18,360 <sup>(1)</sup>	-	\$1,500	-

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "Audit Fees".
- (3) The aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. 2018 tax related services have not yet been provided
- (4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

### Exemption

The Company has relied upon the exemption provided by section 6.1 of NI 52-110 which exempts venture issuers from the requirement to comply with the restrictions on the composition of its audit committee and the disclosure requirements of its audit committee in an annual information form as prescribed by NI 52-110.

### CORPORATE GOVERNANCE DISCLOSURE

On June 30, 2005, National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 – *Corporate Governance Guidelines* ("NP-58-201") came into force in every province and territory in Canada. In addition, the Company is subject to NI 52-110, which has been adopted in various Canadian provinces and territories and which prescribes certain requirements in relation to audit committees and defines the meaning of independence with respect to directors. These reflect current regulatory guidelines of the Canadian Securities Administrators ("CSA"). The Company's corporate governance practices are set out below.

### Independence of Members of Board

The Company's Board of Directors consists of five directors, three of whom are independent based upon the tests for independence set forth in NI 52-110. Donald Lay is not independent as he is the Chief Executive Officer of the Company. Rod McKeen is not considered independent as he is Associate Counsel in a law firm that provides legal services to the Company and that receives compensation for such legal services. As of January 1, 2018, Mr. McKeen is no longer Associate Counsel of the law firm. David Haber, acting as non-executive chairman on a part-time basis, Andrew Morden and David Shaw are independent.

### Management Supervision by Board

The operations of the Company do not support a large Board of Directors and the Board has determined that the current size and constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. The independent directors are able to meet at any time without any members of management including the non-independent directors being present.

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

The participation of the directors in other reporting issuers is described in the following table.

<u>Name of Director</u>	<u>Names of Other Reporting Issuers the Director is a Director of</u>
Donald M. Lay	Sojourn Ventures Inc.
David A. Haber	None
Rod McKeen	Black Sea Copper and Gold Corp.
Andrew Morden	None
David Shaw	First Majestic Silver Corp. Great Quest Fertilizer Inc. First Mining Finance Corp. (formerly Albion Petroleum Ltd.)

## **Orientation and Continuing Education**

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

1. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
2. access to management and technical experts and consultants; and
3. a summary of significant corporate and securities law responsibilities.

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

## **Ethical Business Conduct**

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct and has instructed its management and consultants to abide by the Code. The Code of Conduct was filed on SEDAR on September 4, 2008.

## **Nomination of Directors**

The Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the mineral exploration industry are consulted for possible candidates. If a candidate looks promising, the Board will conduct due diligence on the candidate and if the results are satisfactory, the candidate is invited to join the Board.

## **Compensation of Directors, the Chief Executive Officer and Other Key Officers**

To determine compensation payable, the Compensation Committee reviews compensation paid for the directors, Chief Executive Officer and President and the Chief Financial Officer as well as other key officer positions, of companies of similar size and stage of development in the mineral resource industry and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the

directors and senior management while taking into account the financial and other resources of the Company. In setting compensation the independent directors annually review the performance of the key members of senior management in light of the Company's objectives and consider other factors that may have impacted the success of the Company in achieving its objectives. See "*Statement of Executive Compensation – Oversight and description of Named Executive Officer and Director Compensation*" for further details.

### **Board Committees**

As the directors are actively involved in the operations of the Company and the size of the Company's operations does not at this time warrant a larger board of directors, the Board has determined that additional committees beyond the existing Audit Committee and Compensation Committee are not necessary at this stage of the Company's development.

### **Assessments**

The Board does not have any standing committees other than the Audit Committee and the Compensation Committee. The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. As part of the assessments, the Board or the individual committee may review its mandate and conduct reviews of applicable corporate policies.

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

### **Ratification of Approved Stock Option Plan**

At the Annual and Special Meeting of Shareholders held on September 25, 2013, the shareholders approved the Company's Amended Stock Option Plan (the "Stock Option Plan") which entitles the Company to grant stock options to purchase up to a maximum of 10% of the Company's issued and outstanding common shares as at the time of grant.

The Exchange requires all Exchange listed companies who have adopted a stock option plan which reserves a rolling maximum of 10% of the number of the common shares issued and outstanding on the applicable date of grant, to obtain shareholder approval to the stock option plan on an annual basis. As at the date of this Information Circular, the Company had 30,216,472 post-consolidation common shares issued and outstanding so that a maximum of 3,021,647 post-consolidation common shares would be available for issuance pursuant to the stock options granted under the Stock Option Plan. Currently there are 2,637,500 post-consolidation stock options outstanding under the Stock Option Plan, leaving 384,147 post-consolidation common shares available for grant of further options. Accordingly, the Company requests that the shareholders ratify, confirm and approve the Stock Option Plan.

The rules of the Exchange require that the Stock Option Plan be approved by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the shareholders will be asked at the Meeting to pass the following ordinary resolution:

**"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. the Stock Option Plan, in the form approved by the Shareholders of Medallion Resources Ltd. (the "Company") at the Annual and Special Meeting of Shareholders of the Company held on September 25, 2013 is ratified, confirmed and approved;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Stock Option Plan entitling all of the optionholders in aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable grant date; and

3. the Board or any committee created pursuant to the Stock Option Plan is authorized to make such amendments to the Stock Option Plan from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, the shareholders, in accordance with the terms of the Stock Option Plan.”

An ordinary resolution is a resolution passed by a majority of greater than 50% of the votes cast by those shareholders, who being entitled to do so, vote in person or by proxy at the Meeting.

A complete copy of the Stock Option Plan will be available at the Meeting. Shareholders may obtain a copy of the Stock Option Plan in advance of the Meeting upon request to the Company, at Suite 1160 – 595 Howe Street, Vancouver, British Columbia V6C 2T5. The Company’s fax number is 888-665-4615.

**Management of the Company recommends that shareholders vote in favour of the foregoing resolution, and the persons named in the enclosed form of proxy intend to vote for the approval of the foregoing resolution at the Meeting unless otherwise directed by the shareholders appointing them.**

#### **OTHER BUSINESS**

The management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Form of the Proxy to vote the shares represented in accordance with their best judgment on the matter.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com). The Company’s financial information is provided in the Company’s audited comparative financial statements and related management discussion and analysis for its most recently completed financial year of March 31, 2018 and may be viewed on the SEDAR website at the location noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting Thomas Arnould, Chief Financial Officer and Corporate Secretary, at Suite 1160 – 595 Howe Street, Vancouver, British Columbia, V6C 2T5 (Phone: (604) 681-9558).

DATED at Vancouver, British Columbia this 1<sup>st</sup> day of August, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

*(signed) “Donald Lay”*

Donald Lay  
Chief Executive Officer  
and President