
MARGARET LAKE DIAMONDS INC.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting (the “**Meeting**”) of the shareholders of Margaret Lake Diamonds Inc. (the “**Company**”) will be held on Thursday August 5, 2021, at 595 Burrard St. Suite #2600, Vancouver, BC V7X 1L3 at 10:00 a.m. (local time in Vancouver, B.C.) for the following purposes:

1. To receive the audited annual financial statements of the Company for its financial year ended May 31, 2020, and May 31, 2019, together with the auditor’s reports thereon;
2. To set the number of directors of the Company at four;
3. To elect the directors of the Company for the ensuing year;
4. To appoint the auditors of the Company for the ensuing year and to authorize the directors to fix the auditor’s remuneration;
5. To ratify and approve by ordinary resolution the Company’s 2020 stock option plan, as more particularly described in the accompanying Information Circular;
6. to consider and, if deemed advisable, to pass a special resolution, to approve and authorize an alteration of the Corporation’s Articles to include advance notice provisions. Refer to “Particulars of Matters to be Acted Upon – Advance Notice Provision” in the accompanying Management Proxy Circular; and
7. To transact such other business that may properly come before the Meeting, and any adjournment thereof.

Accompanying this Notice of Meeting is an Information Circular and Instrument of Proxy. The Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. A registered shareholder who is unable to attend the Meeting in person is entitled to appoint a proxyholder to attend and vote in his stead. If you cannot be personally present, please refer to the notes accompanying the Instrument of Proxy enclosed and then complete and deposit the Instrument of Proxy with Computershare Investor Services Inc., 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9, Fax: Within North America: 1-866-249-7775, Outside North America: (416) 263-9524 within the time set out in the notes, as set out below.

The Instrument of Proxy must be signed by the registered shareholder or by his or her attorney authorized in writing, or, if the registered shareholder is a corporation, by an officer or director thereof as an authorized signatory. The completed Instrument of Proxy must be deposited at the office of Computershare Investor Services Inc. at least 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays), or any adjournment thereof.

The enclosed Instrument of Proxy is solicited by management but you may amend it, if you so desire, by striking out the names of the management proxyholders shown and inserting in the space provided the name of the person you wish to represent you at the Meeting.

DATED at Vancouver, British Columbia, this 30th day of June 2021.

BY ORDER OF THE BOARD

“Neil Foran”
Chief Executive Officer, President & Director

THE MEETING IN PERSON TO VOTE. Further restrictions with regard to the Meeting may be implemented by the Corporation as required in accordance with applicable laws and to comply with public health restrictions. At the Meeting, the Corporation may adopt screening or other measures for identifying COVID-19 symptoms or risk factors as may be recommended or required by applicable health authorities. These measures may include requiring registered shareholders or duly appointed proxy holders still wishing to attend the Meeting in person to sign a confirmation letter at the Meeting that they are not a confirmed case of COVID-19 or a close contact of a confirmed case of COVID-19, they are not experiencing cold or flu-like symptoms, including fever, cough, difficulty breathing, muscle aches, fatigue, headache, sore throat or runny nose, and that they have not travelled outside of Canada for a period of two weeks preceding the Meeting date. The Corporation reserves the right to refuse admission to a shareholder or proxyholder seeking to attend the Meeting if the Corporation believes the shareholder or proxyholder poses a health risk to attendees at the Meeting or that admission to the Meeting would otherwise breach public health restrictions. **THE CORPORATION WILL LIMIT ATTENDEES AS REQUIRED BY THE MASS GATHERING RESTRICTIONS IMPLEMENTED BY THE GOVERNMENT OF BC AT THE TIME OF THE MEETING.** In addition, any attendees will be required to practice social distancing at the Meeting and wear face masks.

As the COVID-19 outbreak continues to be a rapidly evolving situation, and in light of changing public health restrictions and recommendations related to COVID-19, there may be changes to the date, time and location of the Meeting, or the Corporation may adjourn or postpone the Meeting. The Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting. Any such changes will be communicated by news release which will be made available under the Corporation's profile on SEDAR at www.sedar.com.

WE STRONGLY ENCOURAGE ALL SHAREHOLDERS TO VOTE BY PROXY RATHER THAN ATTENDING THE MEETING IN PERSON.

All proxies, to be valid, must be received by Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

INFORMATION CIRCULAR

MARGARET LAKE DIAMONDS INC.

595 Burrard St #2600, Vancouver,
BC V7X 1L3

(all information as at June 30, 2021 unless otherwise noted)

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of Margaret Lake Diamonds Inc. (the “Company”) for use at the Annual General Meeting of the Company’s shareholders (the “Meeting”) to be held on Thursday August 5 2021 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 made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company.

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

COVID-19 NOTICE

Due to the public health restrictions implemented to combat the spread of the COVID-19 pandemic, including restrictions on mass gatherings implemented by the Government of BC and taking into account the health and safety of our employees, shareholders, service providers and other stakeholders, **THE CORPORATION IS REQUESTING ALL SHAREHOLDERS TO REFRAIN FROM ATTENDING THE MEETING IN PERSON AND, INSTEAD, TO VOTE BY PROXY, BY MAIL, BY TELEPHONE OR ON THE INTERNET, RATHER THAN ATTENDING THE MEETING IN PERSON TO VOTE.** Further restrictions with regard to the Meeting may be implemented by the Corporation as required in accordance with applicable laws and to comply with public health restrictions. At the Meeting, the Corporation may adopt screening or other measures for identifying COVID-19 symptoms or risk factors as may be recommended or required by applicable health authorities. These measures may include requiring registered shareholders or duly appointed proxy holders still wishing to attend the Meeting in person to sign a confirmation letter at the Meeting that they are not a confirmed case of COVID-19 or a close contact of a confirmed case of COVID-19, they are not experiencing cold or flu-like symptoms, including fever, cough, difficulty breathing, muscle aches, fatigue, headache, sore throat or runny nose, and that they have not travelled outside of Canada for a period of two weeks preceding the Meeting date. The Corporation reserves the right to refuse admission to a shareholder or proxyholder seeking to attend the Meeting if the Corporation believes the shareholder or proxyholder poses a health risk to attendees at the Meeting or that admission to the Meeting would otherwise breach public health restrictions. **THE CORPORATION WILL LIMIT ATTENDEES AS REQUIRED BY THE MASS GATHERING RESTRICTIONS IMPLEMENTED BY THE GOVERNMENT OF BRITISH COLUMBIA AT THE TIME OF THE MEETING.**

The Corporation will continue to monitor and review provincial and federal governmental guidance in order to assess and implement measures to reduce the risk of spreading the virus at the Meeting. Any such changes will be communicated by news release which will be made available under the Corporation’s profile on SEDAR at www.sedar.com.

WE STRONGLY ENCOURAGE ALL SHAREHOLDERS TO VOTE BY PROXY RATHER THAN ATTENDING THE MEETING IN PERSON.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named (the “Management Designees”) in the enclosed instrument of proxy (“Instrument of Proxy”) have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his shares.

NON-REGISTERED HOLDERS

Only shareholders whose names appear on our records or validly appointed proxy holders are permitted to vote at the Meeting. Most of our shareholders are “non-registered” shareholders because their shares are registered in the name of a nominee, such as a brokerage firm, bank, trust company, trustee or administrator of a self-administered RRSP, RRIF, RESP or similar plan or a clearing agency such as CDS Clearing and Depository Services Inc. (a “Nominee”). If you purchased your shares through a broker, you are likely a non-registered shareholder.

Non-registered holders who have not objected to their Nominee disclosing certain ownership information about themselves to us are referred to as “NOBOs”. Those non-registered shareholders who have objected to their Nominee disclosing ownership information about themselves to us are referred to as “OBOs”.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), we will have distributed copies of the Meeting Materials, being the Notice of Meeting, this Information Circular, and the form of proxy directly to NOBOs and to the Nominees for onward distribution to OBOs. **The Company does not intend to pay for a Nominee to deliver to OBOs, therefore an OBO will not receive the materials unless the OBO’s Nominee assumes the costs of delivery.**

Nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered shareholder. Meeting Materials sent to non-registered holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it, a non-registered holder is able to instruct the registered shareholder (or Nominee) how to vote on behalf of the non-registered shareholder. VIFs, whether provided by the Company or by a Nominee, should be completed and returned in accordance with the specific instructions noted on the VIF.

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

The Company is not sending the Meeting materials to shareholders using “notice-and-access”, as defined under NI 54-101.

REVOCATION OF PROXIES

A shareholder who has given a Proxy may revoke it by an instrument in writing executed by the shareholder or by the shareholder’s attorney authorized in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Company, at 303 – 1080 Howe Street, Vancouver, British Columbia V6Z 2T1 Canada, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of it or to the chair of the Meeting on the day of the Meeting or any adjournment of it. **Only registered shareholders have the right to revoke a Proxy. Non-registered holders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.**

A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

EXERCISE OF DISCRETION

If the instructions in a Proxy are certain, the shares represented thereby will be voted on any poll by the persons named in the Proxy, and, where a choice with respect to any matter to be acted upon has been specified in the Proxy, the shares represented thereby will, on a poll, be voted or withheld from voting in accordance with the specifications so made.

Where no choice has been specified by the shareholder, such shares will, on a poll, be voted in accordance with the notes to Proxy.

The enclosed Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the persons appointed proxyholders thereunder to vote with respect to any amendments or variations of matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. 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 SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date hereof, the Company has issued and outstanding 59,686,587 fully paid and non-assessable common shares without par value, each share carrying the right to one vote. The Company has no other class of voting securities and does not have any class of restricted securities.

Any shareholder of record at the close of business on June 30, 2021 (the “**Record Date**”) who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such shareholder’s shares voted at the Meeting.

To the best of the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company, other than as set forth below:

<i>Name Of Shareholder</i>	<i>Number Of Shares</i>	<i>Percentage Of Issued And Outstanding</i>
Harsbo Minerals Ltd. ⁽¹⁾	6,000,000	10.1%
Margaret Lake Diamonds Ltd. ⁽²⁾	6,000,000	10.1%

- (1) Harsbo Minerals Ltd. is a private company partially owned by Paul Brockington, former President, CEO and Director of Margaret Lake Diamonds Inc.
- (2) Margaret Lake Diamonds Ltd. is a private company of which Mark Thompson, a former director of Margaret Lake Diamonds Inc., is a director and shareholder.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise set out herein, no director or executive officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, 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.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors of the Corporation, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

1. REPORT AND FINANCIAL STATEMENTS

The Board of Directors of the Corporation has approved all of the information in the audited financial statements of the Corporation for the year ended May 31, 2019 and 2020 and the report of the auditor thereon, and the unaudited interim financial statements for the 6 month period ending November 30, 2020, copies of which are delivered herewith.

2. FIX NUMBER OF DIRECTORS TO BE ELECTED AT THE MEETING

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that four (4) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at Four (4).**

3. **ELECTION OF DIRECTORS**

The term of office for 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 or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following table sets out the names of the nominees for election as directors, the province and country in which each is ordinarily resident, the period or periods during which each has served as a director, the position(s) held in the Company, their present principal occupations and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised, as at the date hereof.

Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors. Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* to which the Corporation is subject.

Name, Position(s) with the Company and Place of Residence ⁽¹⁾	Principal Occupation ⁽²⁾	Date(s) Served as a Director Since	Ownership or Control Over Voting Shares Held ⁽²⁾
Neil Foran Vancouver, B.C. Canada <i>President and Chief Executive Officer</i>	Neil Foran is CFO for MGX Minerals Inc. and President and acting CEO of Margaret Lake Diamonds Inc	May 14, 2020	500,000 common shares 0.80% diluted 500,000 Options 1.7% undiluted
Jim Wiesenberg ⁽³⁾ Scottsdale, Arizona, USA	Business consultant	May 14, 2020	700,000 common shares 1.2% diluted
Patrick Butler ⁽³⁾ Vancouver, B.C. Canada	Patrick is currently the President & CEO of Creekside Communication and a Director of Dimension Five Technologies	January 6, 2021	500,000 common shares 0.80% diluted
George Kovalyov ⁽³⁾ Richmond, B.C. Canada <i>Chief Financial Officer</i>	Director and COO of Health Logic Interactive Inc., a digital health care company.	January 6, 2021	670,000 common shares 1.1% diluted

Notes:

- (1) For the purposes of disclosing positions held in the Company, "Company" includes the Company and any parent or subsidiary thereof.
 (2) The information as to province and country of residence, principal occupation and number of shares beneficially owned by the nominees (directly or indirectly or over which control or direction is exercised) is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
 (3) The Company's Audit Committee as at June 30, 2021 is comprised of George Kovalyov, Patrick Butler and Jim Wiesenberg

Corporate Cease Trade Orders or Bankruptcies

To the best of management's knowledge, no proposed director:

- (a) is at the date of this Information Circular, or has been within the last 10 years, a director or CEO or chief financial officer ("CFO") of any company (including the Company) that:
- (i) 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, that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
 - (ii) 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, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while the proposed director was acting in the capacity as director, CEO or CFO of such company other than Mr. Neil Foran who was a director of Margaret Lake Diamonds Ltd. when the Company became subject to a cease trade order by the British Columbia Securities Commission on October 5, 2020 for failure to file financial statements. The BCSC revoked the cease trade orders on December 31, 2020. Mr. Foran was also a director of Margaret Lake Diamonds when the Company became subject to a cease trade order by the British Columbia Securities Commission on February 4, 2021 for

failure to file financial statements. The BCSC revoked the cease trade orders on February 8, 2021.

Neil Foran was CFO of MGX Minerals Inc. when the Company became subject to a cease trade order by the British Columbia Securities Commission on December 2, 2020 for failure to file financial statements. The BCSC revoked the cease trade orders on February 12, 2021.

- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of the 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
- (c) has, within the 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; or
- (d) has been subject to 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
- (e) has been subject to any 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.

4. APPOINTMENT OF AUDITOR

Unless otherwise instructed, the proxies given in this solicitation will be voted for the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants, of Vancouver, British Columbia, as our auditor to hold office until the next annual general meeting. We propose that the Board of Directors be authorized to set the remuneration to be paid to the auditor. Dale Matheson Carr-Hilton Labonte LLP was first appointed as our auditor on February 21, 2011.

Our Audit Committee recommends the election of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants of Vancouver, British Columbia, as our auditor to hold office until the Company's next annual general meeting. **Unless such authority is withheld, the persons named in the enclosing proxy intend to vote FOR the approval of the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Accountants as auditors of the Company.**

5. ANNUAL APPROVAL OF STOCK OPTION PLAN

The only equity compensation plan which the Company currently has in place is the Plan which was previously approved by the shareholders of the Company on February 7, 2019. The Plan was established to provide incentive to employees, officers, directors and consultants who provide services to the Company. Exchange policy requires that all companies listed on the Exchange adopt a stock option plan if a company wishes to grant stock options and that all stock option plans that reserve a maximum of 10% of the issued and outstanding share capital of the Company at the time of grant (a "**Rolling Plan**"), must be approved and ratified by shareholders on an annual basis.

Management seeks shareholder approval for a renewal of the Plan, as the Company's 2021 plan (the "**2021 Plan**") in accordance with and subject to the rules and policies of the Exchange. The intention of management in proposing the 2021 Plan is to increase the proprietary interest of employees, officers, directors and consultants in the Company and thereby aid the Company in attracting, retaining and encouraging the continued involvement of such persons with the Company. It is proposed that under the 2021 Plan, the total number of common shares that may be reserved for issuance will be 10% of the issued and outstanding common shares of the Company at the time of grant, less any common shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements. The 2020 Plan is subject to Exchange approval.

Terms of the 2020 Plan

A full copy of the 2020 Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the 2020 Plan from the Company prior to the Meeting on written request. Capitalized words used below have the meanings assigned to them in the Exchange policies or the Plan, as applicable. The following is a summary of the material terms of 2020 Plan:

1. The options are non-assignable and non-transferable (except that the Optionee's heirs or administrators can exercise any portion of the outstanding option, up to one year from the Optionee's death).
2. The number of shares subject to each option is determined by the Board of Directors provided that the 2020 Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:
 - (a) the number of options granted to any one Person exceeding 5% of the issued shares of the Company; or

- (b) the number of options granted to any one Consultant exceeding 2% of the issued shares of the Company; or
 - (c) the number of options granted to all Persons retained to provide Investor Relations Activities of a number shares exceeding 2% of the issued shares of the Company.
3. The exercise price of an option may not be set at less than Discounted Market Price.
 4. The options may be exercisable for a period of up to 10 years, (subject to extension where the expiry date falls within a “blackout period”).
 5. Disinterested shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Company at the time of the proposed amendment.
 6. For stock options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.
 7. Any options granted to any Optionee who is a Director, Employee, Consultant or Management Company Employee must expire within a reasonable period following the date the Optionee ceases to be in that role (in general, the Exchange considers anything not exceeding 12 months to be a reasonable period for these purposes).

Shareholders will be asked to pass the following, ordinary resolution, approving the Company’s 2020 Plan:

Be it resolved as an ordinary resolution of the Corporation that:

1. **the stock option plan of the Corporation be approved substantially in the form attached as Schedule “B (the “Plan”) and the Plan be and is hereby ratified, approved and adopted as the stock option plan of the Corporation;**
2. **the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;**
3. **the issued and outstanding stock options previously granted shall be continued under and governed by the Plan;**
4. **the shareholders of the Corporation hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
5. **any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”**

Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the resolution re-approving the Plan. In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders who vote in respect to the resolution.

6. ADVANCE NOTICE PROVISION

Having adopted the Advance Notice Policy, the Board of Directors are proposing that the Articles of the Corporation be altered to include an advance notice provision (the "Advance Notice Provision"), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all Shareholders receive adequate notice of the director nominations and sufficient information with respect to all nominees; (iii) allow the Corporation and Shareholders to evaluate all nominees' qualifications and suitability as a director of the Corporation; and (iv) allow Shareholders to register an informed vote.

The full text of the proposed alteration of the Articles to include the Advance Notice Provision is set out in Schedule "C" hereto.

Purpose of the Advance Notice Provision

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

Effect of the Advance Notice Provision

Subject only to the *Business Corporations Act* (British Columbia) (the "Act") and the Articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board of Directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board of Directors or an authorized officer of the Corporation, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of the shareholders made in accordance with the provisions of the Act; or (c) by any person (a "Nominating Shareholder"): (i) who, at the close of business on the date of the giving of the notice provided for below in the Advance Notice Provision and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (ii) who complies with the notice procedures set forth in the Advance Notice Provision. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Corporate Secretary of the Corporation at the principal executive offices of the Corporation.

To be timely, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must be made: (a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above. Notwithstanding the foregoing, the Board may, in its sole discretion, waive the time periods summarized above, or otherwise waive the application, in whole or in part, of the Advance Notice Provisions. To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; (iv) a statement as to whether such person would be "independent" of the Corporation (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination; and (v) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in the Advance Notice Provision in Schedule "C" hereto). In addition, a Nominating Shareholder's notice to the Corporate Secretary of the Corporation must set forth: (i) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined in the Advance Notice Provision in Schedule "C" hereto); and (ii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.

The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice Provision; provided, however, that nothing in the Advance Notice Provision shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded. The Advance Notice Provision will be subject to an annual review, and will reflect changes as required by securities regulatory agencies or stock exchanges, or so as to meet industry standards.

Shareholder Confirmation

Under the Articles of the Corporation and the Act, the alteration of the Corporation's Articles requires the approval of more than two-thirds of the votes cast in person or represented by proxy at the Meeting by the shareholders of the Corporation by a special resolution. Accordingly, Shareholders will be asked at the Meeting to vote on a special resolution, the text of which is contained below (the "Advance Notice Provision Resolution"), to approve the alteration of the Articles of the Corporation to include the Advance Notice Provision.

Recommendation of the Board

The Board of Directors has concluded that the Advance Notice Provision is in the best interests of the Corporation and the Shareholders. Accordingly, the Board of Directors unanimously recommends that the Shareholders ratify, confirm and approve an alteration of the Corporation's Articles by voting FOR the Advance Notice Provision Resolution at the Meeting. **Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the Advance Notice Provision Resolution.**

At the Meeting, Shareholders will be asked to vote on the following special resolution, with or without variation:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Articles of the Corporation be altered by adding the text substantially as set forth in Schedule "C" to this management information circular and proxy statement of the Corporation dated June 30, 2021 as Article 14.12 of the Articles;
2. the Corporation be authorized to revoke this special resolution and abandon or terminate the alteration of the Articles if the Board of Directors deems it appropriate and in the best interest of the Corporation to do so without further confirmation, ratification or approval of the shareholders; and
3. any one director or officer of the Corporation be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Corporation or otherwise, all such deeds, documents, instruments and assurances as in his or her opinion may be necessary or desirable to give effect to the foregoing special resolutions."

7. OTHER BUSINESS

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

DIRECTOR AND EXECUTIVE COMPENSATION

The Company is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V - *Statement of Executive Compensation – Venture Issuers*.

The following persons are considered the "Named Executive Officers" or "NEOs" for the purposes of the disclosure:

- (a) the Company's CEO, including an individual performing functions similar to a CEO;
- (b) the Company's 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 the May 31, 2020 year end; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact the individual was not an executive officer of the Company and was not acting in a similar capacity at June 30, 2020.

Director and Named Executive Officer Compensation, excluding Compensation Securities

The following table is a summary of compensation (excluding compensation securities) paid, awarded to or earned by the Named Executive Officers and any director who is not a Named Executive Officer for each of the Company's three most recently completed years.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus(\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) ⁽²⁾	Value of all other compensation (\$)	Total compensation (\$)
Neil Foran ⁽³⁾ <i>CEO and Director</i>	2020	\$100,000	NA	NA	NA	NA	\$100,000
George Kovalyov ⁽⁴⁾ <i>CFO and director</i>	2020	NA	NA	NA	NA	NA	NA
Patrick Butler ⁽⁵⁾ <i>Director</i>	2020	NA	NA	NA	NA	NA	NA
Jim Wiesenberg ⁽⁶⁾ <i>Director</i>	2020	NA	NA	NA	NA	NA	NA

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus(\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$) ⁽²⁾	Value of all other compensation (\$)	Total compensation (\$)
Michael Reimann ⁽⁷⁾ <i>Former CFO</i>	2020	NA	NA	NA	NA	NA	NA
	2019	NA	NA	NA	NA	NA	NA
	2018	NA	NA	NA	NA	NA	NA
Paul Brockington ⁽⁸⁾ <i>Former President, CEO and Director</i>	2019	NA	NA	NA	NA	NA	NA
	2018	NA	NA	NA	NA	NA	NA
Debbie Lew ⁽⁹⁾ <i>Former CFO and Corporate Secretary</i>	2019	NA	NA	NA	NA	NA	NA
	2018	NA	NA	NA	NA	NA	NA
Mark Thompson ⁽¹⁰⁾ <i>Former Director</i>	2019	NA	NA	NA	NA	NA	NA
	2018	NA	NA	NA	NA	NA	NA
Jared Lazerson ⁽¹¹⁾ <i>Former CEO and Director</i>	2020	\$12,500	NA	NA	NA	NA	\$12,500 ⁽¹¹⁾
	2019	\$12,500	NA	NA	NA	NA	\$12,500 ⁽¹¹⁾
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Donald Huston ⁽¹²⁾ <i>Former Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Buddy Doyle ⁽¹³⁾ <i>Former Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	\$13,500	Nil	Nil	Nil	Nil	\$13,500
Darryl Sittler ⁽¹⁴⁾ <i>Former Director</i>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Financial year ended May 31 2019
- (2) The value of perquisites, if any, was less than \$15,000.
- (3) Neil Foran was appointed as CFO on Nov. 5, 2019 and as a director on May 14, 2020. He resigned as CFO, and was appointed as CEO on Jan. 1, 2021
- (4) George Kovalyov was appointed CFO on January 6, 2021.
- (5) Patrick Butler was appointed to the board on January 6, 2021.
- (6) Jim Wiesenber was appointed as a director on May 14, 2020.
- (7) Michael Reimann was CFO from 2018 to 2020.
- (8) Paul Brockington resigned as President, CEO and Director on December 17, 2018.
- (9) Debbie Law resigned as CFO and Corporate Secretary on December 17, 2018.
- (10) Mark Thompson resigned as a director of the Company on December 20, 2018.
- (11) Jared Lazerson resigned from all positions effective February 4, 2021 and is in settlement discussions regarding outstanding payments.
- (12) Donald Huston was appointed director of the Company in 2018 and resigned on November 5, 2019.
- (13) Buddy Doyle was appointed to the board in 2018 and resigned on May 14, 2020.
- (14) Darryl Sittler was appointed to the board in 2018 and resigned on May 14, 2020.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued during the most recently completed financial year ended May 31, 2020 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

Name	Number of Securities Underlying Unexercised Options (#)	Option-Based Awards			Share-Based Awards		
		Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option(1)(2) (\$)	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 (\$)
Neil Foran Director - CEO	500,000	0.05	November 5, 2024	NIL	NIL	NIL	NIL
Jim Wiesenberg Director	NA	NA	NA	NA	NA	NA	NA
Patrick Butler Director	NA	NA	NA	NA	NA	NA	NA
George Kovalyov Director	NA	NA	NA	NA	NA	NA	NA

For information about the material terms of the Company's stock option plan, please refer to the heading "Particulars of Matters to be Acted Upon – Shareholder Approval of Stock Option Plan".

Oversight and description of director and Named Executive Officer compensation

Director Compensation

The Board determines director compensation from time to time. 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 TSX Venture Exchange ("Exchange") policies.

Named Executive Officer Compensation

The Board as a whole determines executive compensation from time to time. The Company does not have a formal compensation policy. The main objectives the Company hopes to achieve through its compensation are to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value. The Company looks at industry standards when compensating its executive officers.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the date of this Information Circular regarding the number of common shares to be issued pursuant to the Company's stock option plan. The Company does not have any equity compensation plans that have not been approved by its shareholders.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders Stock Option Plan	500,000	\$0.05	5,968,659
Equity compensation plans not approved by security holders	NA	NA	NA
Total	500,000	\$0.05	5,968,659

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular, no executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company, or any of its subsidiaries, nor are any of these individuals indebted to another entity which indebtedness is 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.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, since the commencement of the Company's most recently completed financial year, no informed person of the Company, nominee for director or any associate or affiliate of an informed person or nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. An "informed person" means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its shares

AUDIT COMMITTEE

Under Section 224(1) of the *Business Corporations Act* (British Columbia) (the "BCBCA") and Exchange policies, we are required to have an Audit Committee.

Audit Committee Charter

The Audit Committee Charter, attached as Schedule "A" hereto was adopted by our Audit Committee and the Board of Directors.

Composition of the Audit Committee

As of June 30, 2021, our Audit Committee is composed of the following members:

<i>Name</i>	<i>Independent⁽¹⁾</i>	<i>Financially Literate⁽¹⁾</i>
George Kovalyov	No	Yes
Patrick Butler	Yes	Yes
Jim Weissenberg	Yes	Yes

(1) As that term is defined in National Instrument 52-110 *Audit Committees* ("NI 52-110").

The members of the Audit Committee are elected by the board of directors at its first meeting following the annual shareholders meeting. Unless a chair is elected by the full board of directors, the members of the Audit Committee will designate a chair by a majority vote of the full Audit Committee membership.

Relevant Education and Experience

The educational background or experience of the Audit Committee members has enabled each to perform his responsibilities as an Audit Committee member and has provided the member with an understanding of the accounting principles we use to prepare our financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for financial reporting.

See "Election of Directors" and "Corporate Governance – Directorships" in this Information Circular for details of the relevant education and experience of the Audit Committee members.

Each member of the Audit Committee has a general understanding of the accounting principles we use to prepare our financial statements and will seek clarification from our auditor, where required. Each of the members of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies and experience in supervising one or more individuals engaged in the accounting for estimates, accruals and reserves and experience in preparing, auditing, analyzing or evaluating financial statements similar to our financial statements.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of our most recently completed financial year have we relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for engaging of non-audit services as described in the Audit Committee Charter set out in Schedule “A” to this Information Circular.

External Auditor Service Fees (By Category)

The table below sets out all fees billed by our external auditor in each of the financial years ended May 31, 2019 and 2020. In the table “Audit Fees” are fees billed by our external auditor for services provided in auditing our financial statements for the financial year. “Audit-Related Fees” are fees not included in Audit Fees that are billed by the auditor for assurance and related services that are reasonably related to performing the auditor reviewing our financial statements. “Tax Fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All Other Fees” are fees billed by the auditor for products and services not included in the previous categories.

<i>Financial Year Ending</i>	<i>Audit Fees (\$)</i>	<i>Audit-Related Fees (\$)</i>	<i>Tax Fees (\$)</i>	<i>All Other Fees (\$)</i>
May 31, 2020	\$20,000	NA	NA	NA
May 31, 2019	\$15,000	NA	NA	NA
May 31, 2018	\$13,000	Nil	975	Nil

Exemption

We are relying upon the exemption in section 6.1 of NI 52-110, which exempts issuers whose shares are listed only on the Exchange from the requirements of Part 3 (*Composition of Audit Committee*) and Part 5 (*Reporting Obligations*).

CORPORATE GOVERNANCE

National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) requires issuers to disclose their governance practices in accordance with the instrument. The Company is a “venture issuer” within the meaning of NI 58-101. A discussion of the Company’s governance practices within the context of NI 58-101 is set out below.

1. Board of Directors

The Board of Directors facilitates its independent supervision over management through regular meetings of the Board, both with and without members of our management (including members of management who are also directors) being in attendance.

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of our Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

As of June 30th, 2021, the independent members of the Board of Directors are Patrick Butler and Jim Wiesenberg and the non-independent directors are Neil Foran, President and CEO and George Kovalyov, CFO.

The mandate of the Board, as prescribed by the BCBCA, is to manage or supervise management of our business and affairs and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of our affairs directly and through its Audit Committee.

2. Directorships

Certain of our directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<i>Name of Director</i>	<i>Other Reporting Issuer (or equivalent in a foreign jurisdiction)</i>
Neil Foran	MGX Minerals Inc.
George Kovalyov	Health Logic Interactive Inc.

3. Orientation and Continuing Education

The Board of Directors is responsible for providing orientation for all new recruits to the Board. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of our business will be necessary and relevant to each new director. We provide continuing education for our directors as the need arises and encourage open discussion at all meetings, which format encourages learning by the directors.

4. Ethical Business Conduct

The Board of Directors relies on the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law to ensure the Board operates independently of management and in the best interests of the Company. The Board of Directors has found that these, combined with the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest, have been sufficient.

5. Nomination of Directors

The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board of Directors does not have a nominating committee. The Board of Directors is responsible for recruiting new members to the Board and planning for the succession of Board members.

6. Compensation

The Board of Directors is responsible for determining all forms of compensation, including long-term incentives in the form of stock options, to be granted to our officers and the directors, and for reviewing the CEO's recommendations respecting compensation of the other officers of the Company, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining the compensation of its officers, the Board considers: (i) recruiting and retaining executives critical to our success and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and our shareholders; and (iv) rewarding performance, both on an individual basis and with respect to operations in general rules.

7. Other Board Committee

The Board of Directors does not have any committees other than the Audit Committee.

8. Assessments

The Board annually reviews its own performance and effectiveness as well as reviews the Audit Committee Charter and recommends revisions as necessary. Neither the Company nor the Board has adopted formal procedures to regularly assess the Board, the Audit Committee or the individual directors as to their effectiveness and contribution. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by the other Board members, bearing in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board of Directors monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Company, given our size and operations. Our corporate governance practices allow us to operate efficiently with checks and balances that control and monitor management and corporate functions without excessive administrative burden.

ADDITIONAL INFORMATION

Additional information about us is located on SEDAR at www.sedar.com. Shareholders may request copies of our financial statements and Management's Discussion and Analysis ("MD&A") by writing to the Company's President. The financial statements and MD&A are also available on SEDAR.

OTHER MATERIAL FACTS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

DIRECTORS' APPROVAL

The Company's Board of Directors has approved the contents of this Information Circular and sending it to the shareholders.

BY ORDER OF THE BOARD OF DIRECTORS

MARGARET LAKE DIAMONDS INC.

"Neil Foran"

Neil Foran, President, CEO and Director

Schedule “A”
Charter of the Audit Committee of the Board of Directors
of Margaret Lake Diamonds Inc. (the “Company”)

Article 1 – Mandate and Responsibilities

The Audit Committee is appointed by the board of directors of the Company (the “**Board**”) to oversee the accounting and financial reporting process of the Company and audits of the financial statements of the Company. The Audit Committee’s primary duties and responsibilities are to:

- (a) recommend to the Board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- (b) recommend to the Board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company’s external auditor;
- (e) review the Company’s financial statements, MD&A and annual and interim earnings press releases before the Company publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company’s financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
 - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

The Board and management will ensure that the Audit Committee has adequate funding to fulfill its duties and responsibilities.

Article 2 – Pre-Approval of Non-Audit Services

The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Company or its subsidiaries by the Company’s external auditor. The pre-approval of non-audit services must be presented to the Audit Committee at its first scheduled meeting following such pre-approval. The Audit Committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the Audit Committee is informed of each non-audit service and the procedures do not include delegation of the Audit Committee’s responsibilities to management.

Article 3 – External Advisors

The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The Audit Committee has the ability to retain, at the Company’s expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

Article 4 – External Auditors

The external auditors are ultimately accountable to the Audit Committee and the Board, as representatives of the shareholders. The external auditors will report directly to the Audit Committee. The Audit Committee will:

- (a) review the independence and performance of the external auditors and annually recommend to the Board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- (b) approve the fees and other significant compensation to be paid to the external auditors;
- (c) on an annual basis, review and discuss with the external auditors all significant relationships they have with the Company that could impair the external auditors' independence;
- (d) review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the Audit Committee may have;
- (e) before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Canadian Institute of Chartered Accountants;
- (f) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in the Company's financial reporting;
- (g) resolve any disagreements between management and the external auditors regarding financial reporting;
- (h) approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Company; and
- (i) receive from the external auditors timely reports of:
 - (i) all critical accounting policies and practises to be used;
 - (ii) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
 - (iii) other material written communications between the external auditors and management.

Article 5 – Legal Compliance

On at least an annual basis, the Audit Committee will review with the Company's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Company's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

Article 6 - Complaints

Individuals are strongly encouraged to approach a member of the Audit Committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The Audit Committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the Audit Committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the Board appropriate corrective action. To the extent practicable, all complaints will be kept confidential. The Company will not condone any retaliation for a complaint made in good faith.

Schedule "B"
MARGARET LAKE DIAMONDS INC.
STOCK OPTION PLAN

1. Purpose

The purpose of the Stock Option Plan (the "**Plan**") of MARGARET LAKE DIAMONDS INC. (the "**Corporation**") is to advance the interests of the Corporation and each Affiliate of the Corporation by encouraging the Directors, Consultants and Employees of the Corporation and its Affiliates to acquire shares in the Corporation, thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and its Affiliates and furnishing them with additional incentive in their efforts on behalf of the Corporation and its Affiliates.

2. Definitions

Unless otherwise defined in this Plan, all capitalized words shall have the meanings ascribed thereto in the policies of the TSX Venture Exchange Inc. (the "**Exchange**"), as such policies are from time to time amended or varied (the "**Policies**").

3. Administration

- 3.1. The Plan shall be administered by the board of directors of the Corporation. A majority of the board of directors shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.
- 3.2. Subject to the provisions of the Plan, the board of directors shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the board of directors shall be binding and conclusive on the Optionees and on their legal personal representatives and beneficiaries.
- 3.3. Notwithstanding the foregoing or any other provision contained herein, the board of directors shall have the right to delegate the administration and operation of the Plan, in whole or in part, to a committee of the board of directors or to the President or any other officer of the Corporation. Whenever used herein, the term "board of directors" shall be deemed to include any committee or officer to which the board of directors has, fully or partially, delegated responsibility and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this Section 3.
Each option granted hereunder shall be evidenced by an agreement, signed on behalf of the Corporation and by the Optionee, in such form as the directors shall approve. Each such agreement shall recite that it is subject to the provisions of the Plan.

4. Number of Shares Reserved under the Plan

- 4.1 The number of Shares that may be reserved for issuance under the Plan, is limited as follows:
 - a) the maximum aggregate number of Shares that may be reserved for issuance pursuant to outstanding Options at any particular time shall be that number which is equal to TEN (10%) PERCENT of the number of issued and outstanding Shares at such particular time (including the outstanding stock options as at the date of grant), provided, however, that if any Option is exercised, forfeited, terminated or cancelled, or otherwise expires for any reason whatsoever, then, subject to the maximum number of Shares that may be reserved for issuance pursuant to Options at any particular time as aforesaid, new Options may again be granted for such number of Shares as is equal to the number of Shares subject to any such exercised, forfeited, terminated, cancelled or expired Options; and such maximum number of Shares shall be appropriately adjusted in the event of any subdivision or consolidation of the Shares; and
 - b) if and for so long as the Shares are listed on the Exchange:
 - i. the maximum aggregate number of Shares that may be reserved under the Plan or other share compensation arrangements of the Company for issuance to Insiders at any time shall not exceed ten (10%) percent of the issued and outstanding number of Shares, unless the Plan has been approved by the "disinterested shareholders" (as defined in the TSX Corporate Finance Manual);
 - ii. the number of Options granted to Insiders (together with any options granted to Insiders pursuant to any other share compensation arrangements of the Company) within a twelve (12) month period to acquire Shares reserved for issuance under the Plan (or any other compensation plan of the Company) must not exceed 10% of the issued and outstanding number of Shares, unless disinterested shareholder approval has been received in accordance with the rules and policies of the Exchange;
 - iii. the maximum aggregate number of Shares that may be reserved under the Plan or other share compensation arrangements of the Company for issuance to any one Consultant in any twelve (12) month period shall not exceed two (2%) percent of the issued and outstanding number of Shares; calculated as at the date an Option is granted; and
 - iv. the maximum aggregate number of Shares that may be reserved under the Plan or other share compensation arrangements of the Company for issuance to persons who are employed in Investor Relations Activities, as a group, in any twelve (12) month period, shall not exceed two (2%) percent of the issued and outstanding number of Shares, calculated as at the date an Option is granted.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

6. Eligibility and Participation

- 6.1 Directors, Employees and Consultants of the Corporation and its Affiliates shall be eligible for selection to participate in the Plan. The board of directors shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted, and the number of Shares to be subject to each option. An Optionee may, if he is otherwise eligible, and if permitted under the Policies, be granted an additional option or options if the directors shall so determine.
- 6.2 For options granted to Employees, Consultants or Management Company Employees, the Corporation shall represent in the agreement granting the option that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

7. Exercise Price

- 7.1 The exercise price per Optioned Share under an Option shall be determined by the Committee, in its discretion, at the time such Option is granted, but such price shall be fixed in compliance with the applicable provisions of the TSX Corporate Finance Manual in force at the time of grant and, in any event, shall not be less than the closing price of the Shares on the Exchange on the trading day immediately preceding the day on which the Option is granted (provided that if there are no trades on such day then the last closing price within the preceding ten trading days will be used, and if there are no trades within such ten-day period, then the simple average of the bid and ask prices on the trading day immediately preceding the day of grant will be used), in each case less up to the maximum discount permitted by the EXCHANGE (the "Discounted Market Price"). The exercise price at which, and the number of optioned securities for which, an outstanding Option may be exercised following a subdivision or consolidation of the Shares shall be subject to adjustment in accordance with section 14.
- 7.2 The exercise price per Optioned Share under an Option may be reduced at the discretion of the Committee if:
 - a) prior Exchange approval is obtained and at least six (6) months has elapsed since the later of the date such Option was granted and the date the exercise price for such Option was last amended; and
 - b) disinterested shareholder approval is obtained for any reduction in the exercise price under an Option held by an Insider of the Company;

Provided that if the exercise price is reduced to the Discounted Market Price, the Exchange four (4) month hold period will apply from the date of the amendment and further provided that no such conditions will apply in the case of an adjustment made under subsection 4.1(a)(ii).

8. Number of Optioned Shares

The number of Shares subject to an option to an Optionee shall be determined by a resolution of the board of directors, provided that:

- (a) unless the Corporation has obtained disinterested shareholder approval as provided for in the Policies, no Optionee shall, during any 12 month period, be granted an option which exceeds 5% of the issued and outstanding Shares of the Corporation at the time of granting of the option, calculated at the date an option is granted to any such person;
- (b) no one Consultant shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Shares of the Corporation at the time of granting of the option;
- (c) the aggregate number of options granted to all persons retained to provide Investor Relations Activities, including any Consultant that performs Investor Relations Activities and any Employee or Director whose role and duties primarily consist of Investor Relations Activities (each such person being referred to herein as an "Investor Relations Provider"), must not exceed 2% of the issued and outstanding Shares of the Corporation, during any 12 month period, calculated at the date an option is granted to any such person. In addition, options issued to Investor Relations Providers must vest in stages over a period of not less than 12 months with no more than ¼ (one quarter) of the options vesting in any three month period; and
- (d) unless the Corporation has obtained disinterested shareholder approval and meets applicable Exchange requirements, no options shall be granted to Insiders, as defined in the Exchange policies, if such grant could result in the Insiders, as a group, being granted, within a 12 month period, options to purchase a number of common shares exceeding 10% of the issued common shares of the Corporation, calculated at the date an option is granted to any Insider.

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreements and shall be subject to earlier termination as provided in Sections 10, 11 and 12.

10. Option Period, Consideration and Payment

- 10.1 The Option Period for an Option shall be determined by the Board at the time the Option is granted and shall be up to five (5) years from the date the Option is granted. At the time an Option is granted, the Committee may determine that, with respect to that Option, upon the occurrence of one of the events described in subsection 11(a) there shall come into force a time limit for exercise of such Option which is different than the Option Period, and in the event of such a determination, the Option Agreement for such Option shall contain provisions which specify the events and time limits related to that determination. Subject to the applicable maximum Option Period provided for in this subsection 10.1 and subject to applicable regulatory requirements and

approvals, the Board may extend the Option Period of an outstanding Option beyond its original expiration date, (whether or not such Option is held by an Insider). In addition, the following restrictions shall apply:

- a) Options granted to any Optionee who is a Director, Employee, Consultant, Management Company Employee, or an Optionee who is engaged in Investor Relations Activities shall expire within 90 (ninety) days after the Optionee ceases to be in at least one of those categories; and
 - b) Options granted to a Consultant who is engaged in Investor Relations Activities must be subject to a twelve (12) month vesting schedule, whereby no more than 25% of the options granted may be vested in any three-month period.
- 10.2 Subject to paragraph 10.1, the Committee may determine when any Option will become exercisable and may determine that the Option shall be exercisable in instalments.
- 10.3 If there is a takeover bid or tender offer made for all or any of the issued and outstanding Shares, then the Board may, in its sole and absolute discretion and if permitted by applicable legislation, unilaterally determine that outstanding Options, whether fully vested and exercisable or subject to vesting provisions or other limitations on exercise, shall be conditionally exercisable in full to enable the Optioned Shares subject to such Options to be conditionally issued and tendered to such bid or offer, subject to the condition that if the bid or offer is not duly completed the exercise of such Options and the issue of such Shares will be rescinded and nullified and the Options, including any vesting provisions or other limitations on exercise which were in effect will be reinstated. Provided that prior Exchange approval is obtained for any acceleration or removal of required vesting provisions.
- 10.4 The vested portions of Options will be exercisable, in whole or in part, at any time after vesting. If an Option is exercised for fewer than all of the Optioned Shares for which the Option has then vested, the Option shall remain in force and exercisable for the remaining Optioned Shares for which the Option has then vested, according to the terms of such Option.
- 10.5 The exercise of any Option will be contingent upon receipt by the Company of payment in full for the exercise price of the Shares being purchased in cash by way of certified cheque or bank draft. Neither an Optionee nor the legal representatives, legatees or distributees of such Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates for such Shares are issuable to the Optionee or such other persons pursuant to the Option or the Plan.

11. Effect of Termination of Employment or Death

- 11.1 An outstanding Option shall remain in full force and effect and exercisable according to its terms for the Option Period notwithstanding that the holder of such Option ceases to be a Director, Employee, Senior Officer or Consultant of the Company for any reason, including death, subject always to any express term in any Option Agreement made pursuant to subsection 10.1 which provides that upon the occurrence of one of such events there shall come into force a time limit for exercise of such Option which is different than the Option Period. So long as the Shares are listed on the TSX - Venture Exchange (unless otherwise permitted by the Exchange) the maximum period within which the heirs or administrators of a deceased Optionee may exercise any portion of an outstanding Option is one (1) year from the date of death or the balance of the Option Period, whichever is earlier.
- 11.2 In the event of the death of an Optionee, an Option which remains exercisable may be exercised in accordance with its terms by the person or persons to whom such Optionee's rights under the Option shall have passed under the Optionee's will or pursuant to law.

12. Rights of Optionee

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued.

13. Proceeds from Sale of Shares

The proceeds from sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the board of directors may determine and direct.

14. Adjustments

- 14.1 In the event that the outstanding Shares of the Corporation are changed into or exchanged for a different number or kind of shares or other securities of the Corporation, or in the event that there is a reorganization, amalgamation, consolidation, subdivision, reclassification, dividend payable in capital stock or other change in the capital stock of the Corporation, then each Optionee shall thereafter upon the exercise of the option granted to him, be entitled to receive, in lieu of the number of Shares to which the Optionee was theretofore entitled upon such exercise, the kind and amount of shares or other securities or property which the Optionee would have been entitled to receive as a result of any such event if, on the effective date thereof, the Optionee had been the holder of the Shares to which he was theretofore entitled upon such exercise.
- 14.2 In the event the Corporation proposes to amalgamate, merge or consolidate with any other corporation (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Shares of the Corporation or any part thereof shall be made to all holders of Shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Optionee, to require the exercise of the option granted within the thirty (30) day period next following the date of such notice and to determine that upon the expiry of such thirty (30) day period, all rights of the Optionee to exercise same (to the extent not theretofore exercised) shall *ipso facto* terminate and cease to have any further force or effect whatsoever.
- 14.3 No adjustment or substitution provided for in this section 11 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.

- 14.4 The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

15. Transferability

Neither the Options nor the benefits and rights of any Optionee under any Option or under the Plan shall be assignable or otherwise transferable, except as specifically provided in subsection 11.2 in the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.

16. Amendment and Termination of Plan

The Board reserves the right to amend or terminate the Plan at any time if and when it is deemed advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Any amendment to the Plan shall also be subject to acceptance of such amendment or amended Plan for filing by the Exchange and, where required by the Exchange, the approval of the shareholders of the Company.

17. Regulatory Acceptances

- 17.1 The Plan is subject to the acceptance of the Plan for filing by the Exchange and the Board is authorized to amend the Plan from time to time in order to comply with any changes required from time to time by such applicable regulatory authorities, whether as conditions to the acceptance for filing of the Plan or otherwise, provided that no such amendment will in any way derogate from the rights held by Optionees holding Options (vested or unvested) at the time thereof without the consent of such Optionees.
- 17.2 The obligation of the Company to issue and deliver Optioned Shares pursuant to the exercise of any Options granted under the Plan is subject to the acceptance of the Plan for filing by the Exchange. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such acceptance for filing, then the obligation of the Company to issue such Optioned Shares shall terminate and any amounts paid to the Company for such Optioned Shares shall be returned to the Optionee forthwith without interest or deduction.

18. Securities Regulation and Tax Withholding

- 18.1 Where necessary to enable the Company to use an exemption from requirements to register Optioned Shares or file a prospectus or use a registered dealer to distribute Optioned Shares under securities laws applicable to the securities of the Company in any jurisdiction, an Optionee, upon the acquisition of any Optioned Shares by the exercise of Options and as a condition to such exercise, shall provide to the Committee such evidence as the Committee requires to demonstrate that the Optionee or recipient will acquire such Optioned Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, including an undertaking to that effect in a form acceptable to the Committee. The Committee may cause a legend or legends to be placed upon any certificates for the Optioned Shares to make appropriate reference to applicable resale restrictions, and the Optionee or recipient shall be bound by such restrictions. The Committee also may take such other action or require such other action or agreement by such Optionee or proposed recipient as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the Option Shares under any securities laws applicable to the securities of the Company.
- 18.2 For all purposes of the Plan, the Committee and the Company may take all such measures as they deem appropriate or necessary to comply with applicable laws, including income tax laws and securities laws and regulations, as well as the rules of regulatory authorities having jurisdiction over the Company or in respect of the securities of the Company. Without limitation to the foregoing, the Committee and the Company may withhold and remit to tax authorities such sums which might otherwise be due or accruing due by the Company to an Optionee, if such withholding and remittance are required under applicable income tax laws in connection with the grant or exercise of the Optionee's Options.
- 18.3 Issuance, transfer or delivery of certificates for Optioned Shares acquired pursuant to the Plan may be delayed, at the discretion of the Committee, until the Committee is satisfied that the requirements of applicable laws and regulations, and applicable rules of regulatory authorities, have been met.

19. Effective Date of Plan

The Plan has been adopted by the board of directors of the Corporation subject to the approval of the Venture Exchange (the "Exchange") and, if so approved, the Plan shall become effective upon such approval being obtained, subject to disinterested shareholder approval being obtained in accordance with the Policies.

20. Interpretation

- 18.4 The validity, construction and effect of the Plan, the grants of Options, the issue of Option Shares, any rules and regulations relating to the Plan any Option Agreement, and all determinations made and actions taken pursuant to the Plan, shall be governed by and determined in accordance with the laws of the Province of BC and the laws of Canada applicable therein.
- 18.5 Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

SCHEDULE "C"
ALTERATIONS TO ARTICLES – ADVANCE NOTICE PROVISION

Article 14.12.

Nomination of Directors

- (a) Subject only to the Business Corporations Act, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders (but only if the election of directors is a matter specified in the notice of meeting given by or at the direction of the person calling such special meeting):
- (i) by or at the direction of the board or an authorized officer of the Company, including pursuant to a notice of meeting;
 - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Business Corporations Act or a requisition of the shareholders made in accordance with the provisions of the Business Corporations Act; or
 - (iii) by any person (a "Nominating Shareholder"): (a) who, at the close of business on the date of the giving of the notice provided for below in this Article 14.12 and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (b) who complies with the notice procedures set forth below in this Article 14.12.
- (b) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, such person must have given timely notice thereof in proper written form to the Corporate Secretary of the Company at the principal executive offices of the Company in accordance with this Article 14.12.
- (c) To be timely under Article 14.12 (b), a Nominating Shareholder's notice to the Corporate Secretary of the Company must be made:
- (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 40 days after the date (the "Notice Date") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
 - (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- (d) To be in proper written form, a Nominating Shareholder's notice to the Corporate Secretary of the Company, under Article 14.12 (b) must set forth:
- (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (a) the name, age, business address and residence address of the person, (b) the principal occupation or employment of the person, (c) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, (d) a statement as to whether such person would be "independent" of the Company (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director at such meeting and the reasons and basis for such determination, and (e) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws (as defined below); and
 - (ii) as to the Nominating Shareholder giving the notice: (a) any information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Business Corporations Act and Applicable Securities Laws, and (b) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the Nominating Shareholder as of the record date for the Meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice.
 - (iii) The Corporation may require any proposed nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.
- (e) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this Article 14.12; provided, however, that nothing in this Article 14.12 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Business Corporations Act. The chair of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (f) For purposes of this Article 14.12:

- (i) "Affiliate", when used to indicate a relationship with a person, shall mean a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such specified person;
 - (ii) "Applicable Securities Laws" means the Securities Act (British Columbia) and the equivalent legislation in the other provinces and in the territories of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commissions and similar regulatory authorities of each of the applicable provinces and territories of Canada;
 - (iii) "Associate", when used to indicate a relationship with a specified person, shall mean: (a) any corporation or trust of which such person owns beneficially, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all voting securities of such corporation or trust for the time being outstanding, (b) any partner of that person, (c) any trust or estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar capacity, (d) a spouse of such specified person, (e) any person of either sex with whom such specified person is living in conjugal relationship outside marriage or (f) any relative of such specified person or of a person mentioned in clauses (d) or (e) of this definition if that relative has the same residence as the specified person;
 - (iv) "Derivatives Contract" shall mean a contract between two parties (the "Receiving Party" and the "Counterparty") that is designed to expose the Receiving Party to economic benefits and risks that correspond substantially to the ownership by the Receiving Party of a number of shares in the capital of the Company or securities convertible into such shares specified or referenced in such contract (the number corresponding to such economic benefits and risks, the "Notional Securities"), regardless of whether obligations under such contract are required or permitted to be settled through the delivery of cash, shares in the capital of the Company or securities convertible into such shares or other property, without regard to any short position under the same or any other Derivatives Contract. For the avoidance of doubt, interests in broad-based index options, broad-based index futures and broad-based publicly traded market baskets of stocks approved for trading by the appropriate governmental authority shall not be deemed to be Derivatives Contracts;
 - (v) "meeting of shareholders" shall mean such annual shareholders meeting or special shareholders meeting, whether general or not, at which one or more persons are nominated for election to the board by a Nominating Shareholder;
 - (vi) "owned beneficially" or "owns beneficially" means, in connection with the ownership of shares in the capital of the Company by a person, (a) any such shares as to which such person or any of such person's Affiliates or Associates owns at law or in equity, or has the right to acquire or become the owner at law or in equity, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, upon the exercise of any conversion right, exchange right or purchase right attaching to any securities, or pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (b) any such shares as to which such person or any of such person's Affiliates or Associates has the right to vote, or the right to direct the voting, where such right is exercisable immediately or after the passage of time and whether or not on condition or the happening of any contingency or the making of any payment, pursuant to any agreement, arrangement, pledge or understanding whether or not in writing; (c) any such shares which are beneficially owned, directly or indirectly, by a Counterparty (or any of such Counterparty's Affiliates or Associates) under any Derivatives Contract (without regard to any short or similar position under the same or any other Derivatives Contract) to which such person or any of such person's Affiliates or Associates is a Receiving Party; provided, however that the number of shares that a person owns beneficially pursuant to this clause (c) in connection with a particular Derivatives Contract shall not exceed the number of Notional Securities with respect to such Derivatives Contract; provided, further, that the number of securities owned beneficially by each Counterparty (including their respective Affiliates and Associates) under a Derivatives Contract shall for purposes of this clause be deemed to include all securities that are owned beneficially, directly or indirectly, by any other Counterparty (or any of such other Counterparty's Affiliates or Associates) under any Derivatives Contract to which such first Counterparty (or any of such first Counterparty's Affiliates or Associates) is a Receiving Party and this proviso shall be applied to successive Counterparties as appropriate; and (d) any such shares which are owned beneficially within the meaning of this definition by any other person with whom such person is acting jointly or in concert with respect to the Company or any of its securities; and
 - (vii) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company or its agents under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.
- (g) Notwithstanding any other provision to this Article 14.12, notice or any delivery given to the Corporate Secretary of the Company pursuant to this Article 14.12 may only be given by personal delivery, facsimile transmission or by email (provided that the Corporate Secretary of the Company has stipulated an email address for purposes of this notice, at such email address as stipulated from time to time), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Corporate Secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Vancouver time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (h) In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described in this Article 14.12.
- (i) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Article.

