SPIRIT BANNER CAPITAL CORP.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON DECEMBER 18, 2019

November 19, 2019

SPIRIT BANNER CAPITAL CORP.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of Spirit Banner Capital Corp. (the "**Corporation**") will be held at the offices of the Corporation's solicitors, Peterson McVicar LLP, 18 King Street East, Suite 902, Toronto, Ontario M5C 1C4, on December 18, 2019 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial years ended December 31, 2017 and 2018, together with the report of the auditors thereon;

2. to elect four (4) directors of the Corporation for the ensuing year;

3. to appoint MNP LLP, Chartered Professional Accountants, as the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;

4. to approve the Corporation's 10% "rolling" stock option plan;

5. to consider and, if thought appropriate, pass, with or without variation, a special resolution, to become effective conditional upon the completion of the Business Combination (as defined in the accompanying management circular dated November 19, 2019 (the "**Circular**")), authorizing the consolidation of the issued and outstanding common shares of the Corporation on the basis of two (2) pre-consolidation Common Shares for every one (1) post-consolidation Common Share (the "**Consolidation Resolution**"), as more particularly described in the Circular;

6. to consider, and if deemed appropriate, to pass with or without variation, a special resolution, to become effective conditional upon the completion of the Business Combination (as defined in the Circular), authorizing the change of the name of the Corporation from "Spirit Banner Capital Corp." to "Ion Energy Ltd." or to such other name as may be determined and acceptable to the board of directors of the Corporation and the applicable regulatory authorities, as more particularly described in the Circular; and

7. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

An "ordinary resolution" is a resolution passed by at least a majority of the votes cast by Shareholders who voted in respect of that resolution at the Meeting.

A "special resolution" is a resolution passed by at least two-thirds of the votes cast by Shareholders who voted in respect of that resolution at the Meeting.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular under the section entitled *Matters to be Acted Upon*.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is November 18, 2019 (the "**Record Date**"). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed, hand delivered, or faxed so as to reach or be deposited with TSX Trust Company, the Corporation's transfer agent (in the case of registered holders) at 301-100 Adelaide Street West, Toronto ON, M5H 4H1; Fax: +1 416 595 9593, before 10:00 a.m. (Toronto time) on December 16, 2019. Late instruments of proxy 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 instruments of proxy.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

DATED this 19th day of November 2019

BY ORDER OF THE BOARD OF DIRECTORS OF SPIRIT BANNER CAPITAL CORP.

(signed) "Aneel Waraich"

Aneel Waraich
President

SPIRIT BANNER CAPITAL CORP.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This management Information Circular ("**Circular**") is furnished in connection with the solicitation of proxies by the management of Spirit Banner Capital Corp. (the "**Corporation**") for use at the annual and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of the Corporation to be held at 10:00 a.m. (Toronto time) on December 18, 2019 at the offices of the Corporation's solicitors, Peterson McVicar LLP, 18 King Street E., Suite 902, Toronto, ON M5C 1C4 for the purposes set forth in the Notice of Annual and Special Meeting of Shareholders dated November 19, 2019 (the "**Notice of Meeting**"). References in the Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of the solicitation of proxies will be borne by the Corporation.

Except where otherwise indicated, the information contained in this Circular is as of November 19, 2019.

GENERAL INFORMATION RESPECTING THE MEETING

The enclosed proxy is being solicited by or on behalf of the management of the Corporation. The mailing to Shareholders of this Circular will be on or about November 27, 2019. The cost of soliciting proxies will be borne by the Corporation. While most proxies will be solicited by mail only, regular employees of the Corporation may also solicit proxies by telephone or in person. Such employees will receive no additional compensation for these services other than their regular salaries, but will be reimbursed for their reasonable expenses.

In this Circular, unless otherwise indicated, all dollar amounts "$" are expressed in Canadian dollars.

Electronic copies of this Circular, financial statements of the Corporation for the year ended December 31, 2018 and 2017 (the "**Financial Statements**") and MD&A for 2018 and 2017 ("**MD&A**") may be found on the Corporation's SEDAR profile at www.sedar.com.

Shareholders are reminded to review this Circular before voting.

Shareholders may also obtain paper copies of the Financial Statements and the MD&A free of charge by contacting the Corporate Secretary of the Corporation.

APPOINTMENT, VOTING AND REVOCATION OF PROXIES

Appointment of Proxy Holders

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing and executing another proper form of proxy.** All duly completed and executed proxies must be received by the Corporation's registrar and transfer agent, TSX Trust Company ("**TSX Trust**") at 301-100 Adelaide Street West, Toronto ON, M5H 4H1; Fax: +1 416 595 9593, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The

votes attached to the Common Shares of the Corporation represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy at any time prior to use by:

(i) completing and signing a proxy bearing a later date and depositing it with TSX Trust at the address provided herein;

(ii) depositing an instrument in writing, including another completed form of proxy, executed by such Shareholder or by his or her attorney duly authorized in writing, or, if the Shareholder is a body corporate, by a duly authorized officer or attorney, either (a) with TSX Trust at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof, or (b) with the Chairman of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or

(iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Voting of Proxies

The voting rights attached to the Common Shares represented by proxies will be voted or withheld from voting in accordance with the instructions indicated therein. **If no instructions are given, the voting rights attached to said Common Shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOUR of all the matters described therein.**

The enclosed form of proxy confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly come before the Meeting. As of the date hereof, management of the Corporation knows of no such amendments or other matters to come before the Meeting.

Voting by Non-Registered Shareholders

Only registered Shareholders or proxyholders duly appointed by registered Shareholders are permitted to vote at the Meeting. Most Shareholders of the Corporation are "non-registered" shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of a brokerage firm, bank or other intermediary (an "**Intermediary**") or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as "**Beneficial Shareholders**") should note that only registered Shareholders are entitled to vote at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depositary Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the brokers' clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Beneficial Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as "NOBOs". Those Beneficial Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as "OBOs". In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has elected to send the Notice of Meeting, this Circular and the form of proxy (collectively, the "**Meeting Materials**") directly to the NOBOs, and indirectly through Intermediaries to the OBOs. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them. The Corporation does not intend to pay Intermediaries for delivery to deliver to OBOs. The Meeting Materials sent to Beneficial Shareholders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a "**VIF**"). By returning the VIF in accordance with the instructions noted on it, a Beneficial Shareholders is able to instruct the registered Shareholder how to vote on behalf of the Beneficial Shareholders. VIFs, whether provided by the Corporation or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF. In either case, the purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Common Shares which they beneficially own. Should a Beneficial Shareholders who receives a VIF wish to attend the Meeting or have someone else attend on his or her behalf, the Beneficial Shareholders may request a legal proxy as set forth in the VIF, which will grant the Beneficial Shareholders or his or her nominee the right to attend and vote at the Meetings. Please return your voting instructions as specified in the VIF. Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

These Meeting Materials are being sent to both registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

A Beneficial Shareholder may revoke a VIF or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a VIF or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven days prior to the Meeting.

All references to Shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as described elsewhere in this Circular, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of (a) any director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year, (b) any proposed nominee for election as a director of the Corporation, and (c) any associates or affiliates of any of the persons or companies listed in (a) and (b), in any matter to be acted on at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of non-voting preferred shares without par value. As at the date hereof, there are 19,030,780 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting.

The record date for the determination of Shareholders entitled to receive notice of the Meeting and vote at the Meeting has been fixed at November 18, 2019 (the "**Record Date**"). All holders of record of Common Shares on the Record Date are entitled either to attend and vote their Common Shares at the Meeting, or, provided a completed and executed proxy shall have been delivered to the Corporation's transfer agent, TSX Trust, within the time specified in the attached Notice of Meeting, to attend the Meeting and vote their Common Shares by proxy.

To the knowledge of the directors and officers of the Corporation, as at the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation.

BUSINESS OF THE MEETING

To the knowledge of the board of directors of the Corporation (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

1. Presentation of Financial Statements

The audited consolidated financial statements of the Corporation for the fiscal years ended December 31, 2017 and 2018 and the report of the auditors thereon will be submitted to the Meeting. Receipt at the Meeting of these financial statements and the auditor's report thereon will not constitute approval or disapproval of any matter referred to therein. Shareholder approval is not required in relation to the financial statements.

2. Election of Directors

The Board consists of four directors, each of whom management propose to nominate for re-election at the Meeting. Each director elected at the Meeting will hold office until the next annual meeting or until his successor is duly elected or appointed.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Corporation will be voted FOR the election of each of the proposed nominees set forth in the table below.**

Management has no reason to believe that any of the nominees will be unable to serve as a director. **However, if any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy will be voted in favour of the remaining nominees, and may be voted in favour of a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares represented thereby are to be withheld from voting in respect of the election of directors.**

The following table states the name of each person nominated by management for election as directors, such person's principal occupation or employment, period of service as a director of the Corporation, and the approximate number of voting securities of the Corporation that such person beneficially owns, or over which such person exercises direction or control:

Name, and Province and Country of Residence	Principal Occupation, Business or Employment[(1)]	Director Since	Common Shares Owned or Controlled[(1)]
Aneel Waraich *Ontario, Canada*	Founder and Managing Partner of ATMACorp. Ltd.	June 2017	500,000 [(3)]
Gregory Wood[(2)] *Castle Hill, New South Wales, Australia*	General Manager of Steppe Gold Ltd.	June 2017	480,000[(4)]
Peter Bures[(2)] *Ontario, Canada*	Independent Consultant	June 2017	300,000
Bataa Tumur-Ochir[(2)] *Ulaanbataar, Mongolia*	Director and Vice-President (Mongolia) of Steppe Gold Ltd.	June 2017	930,780

Notes:
(1) Information about principal occupation, business or employment and number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised is not within the direct knowledge of management and has been furnished by the respective nominees.
(2) Member of the Audit Committee.
(3) Held directly through a private company majority owned by Mr. Waraich.
(4) Held directly through a private company majority owned by Mr. Wood.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No proposed director of the Corporation is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer, of any company (including the Corporation) that:

(a) while that person was acting in the capacity was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(b) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer of such company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(c) 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.

No proposed director of the Corporation (or any personal holding company of any such individual):

(a) is at the date hereof, or has been within the previous 10 years, a director or executive officer of any corporation 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 manager or trustee appointed to hold its assets; or

(b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets such individual.

No proposed director of the Corporation (or any personal holding company of any such individual) 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 any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

3. Appointment of Auditors

MNP LLP, Chartered Professional Accountants ("**MNP**"), is the independent registered certified auditor of the Corporation. MNP was first appointed as the Corporation's auditor on October 16, 2017.

Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to re-appoint MNP to serve as auditor of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix their remuneration as such.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form FOR the re-appointment of MNP as auditor of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and the authorization of the directors of the Corporation to fix their remuneration.

The directors of the Corporation recommend that shareholders vote in favour of the re-appointment of MNP and the authorization of the directors of the Corporation to fix their remuneration. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

4. Approval of Stock Option Plan

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve a new stock option plan for the Corporation. The Board approved a new stock option plan (the "**New Stock Option Plan**"), subject to the approval of Shareholders, to replace the Corporation's existing stock option plan (the "**Old Plan**") previously adopted in connection with the Corporation's initial public offering.

The Old Plan was designed to meet the requirements applicable to capital pool companies which, after completion of the proposed business combination with Ion Energy Ltd. as disclosed in the Corporation's news release of August 20, 2019, will no longer be applicable to the Corporation. Accordingly, the Board recommends the Corporation adopt a stock option plan that does not contain restrictions specific to capital pool companies, such as the New Stock Option Plan.

The New Stock Option Plan is designed to ensure compliance with the policies of TSX Venture Exchange (the "**TSXV**"). The New Stock Option Plan is a rolling stock option plan that sets the number of Common Shares issuable thereunder at a maximum of 10% of the Common Shares issued and outstanding at the time of any grant. As at the date of this Circular, there are 1,903,078 options outstanding pursuant to the Old Plan which, assuming approval of the New Stock Option Plan by the Shareholders at the Meeting, will be subsumed as options outstanding under the New Stock Option Plan, and will represent approximately 10.0% of the issued and outstanding Common Shares, leaving a total of nil Common Shares available for reservation pursuant to new grants of options.

Pursuant the policies of TSXV, the Corporation is required to obtain the approval of its shareholders for a "rolling" stock option plan for acceptance of the option plan by the Corporation and at each annual meeting of shareholders.

The New Stock Option Plan provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase Common Shares. For a summary of the material features of the Plan, please see "Executive Compensation – New Stock Option Plan" below. The full text of the New Stock Option Plan is appended to this Circular as Schedule "A".

At the Meeting, Shareholders will be asked to pass an ordinary resolution to approve the New Stock Option Plan for the ensuing year. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

"BE IT RESOLVED THAT, as an ordinary resolution:

1. the new rolling stock option plan of the Corporation be and the same is hereby ratified, confirmed and approved as the stock option plan of the Corporation; and

2. any director or officer of the Corporation be, and such director or officer of the Corporation hereby is, authorized, instructed and empowered, acting for, in the name of and on behalf of the Corporation, to do or to cause to be done all such other acts and things in the opinion of such director or officer of the Corporation as may be necessary or desirable to satisfy securities and corporate regulators and in order to fulfill the intent of the foregoing resolution."

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or instructions FOR the approval of the New Stock Option Plan.

The directors of the Corporation recommend that the Shareholders vote in favour of the approval of the New Stock Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

5. Consolidation

At the meeting, the Shareholders will be asked to consider and, if thought appropriate, pass, with or without variation, a special resolution authorizing the directors of the Corporation to consolidate the issued and outstanding Common Shares of the Corporation on the basis of two (2) pre-consolidation Common Shares for every one (1) post-consolidation Common Share (the "**Consolidation Resolution**").

In the event that the Shareholders pass the Consolidation Resolution to consolidate the Common Shares and the Board determines to consolidate the Common Shares on a two (2) for one (1) basis (the "**Consolidation**"), the presently issued and outstanding 19,030,780 Common Shares will be consolidated into approximately 9,515,390 post-Consolidation Common Shares, and the presently issued and outstanding 1,903,078 options granted under the Old Plan will be consolidated in approximately 951,539 post-Consolidation stock options.

The Consolidation is proposed to be completed in connection with, and conditional upon, the proposed business combination of the Corporation and Ion Energy Ltd. ("**Ion Energy**") which, if completed, will constitute the Qualifying Transaction (as such term is defined in the policies of the TSXV) of the Corporation in accordance with the regulations of the TSXV (the "**Business Combination**"). Pursuant to the Business Combination, the Corporation shall acquire all of the issued and outstanding common shares of Ion Energy (the "**Ion Energy Shares**"). As consideration, the Corporation shall issue one (1) Common Share on a post-Consolidation basis for each issued and outstanding Ion Energy Share (the "**Exchange Ratio**"). The Business Combination will also provide that all outstanding options, warrants and broker warrants to purchase Ion Energy Shares shall either be exchanged for economically equivalent securities of the Corporation, subject to adjustment in number and exercise price based on the Exchange Ratio. Completion of the Business Combination is subject to a number of conditions, including, but not limited to, the receipt of all applicable shareholder and regulatory approvals and completion of the Consolidation.

Shareholders are encouraged to review the Corporation's news release dated August 20, 2019 for more details related to Ion Energy, the Business Combination and the Corporation's proposed Qualifying Transaction.

If the Consolidation would otherwise result in a Shareholder holding a fraction of a Common Share, no fraction or fractional certificate will be issued, and a Shareholder will not receive a whole Common Share for each such fraction held. In all other respects, the post-consolidated Common Shares will have the same attributes as the existing Common Shares.

Principal Effects of the Share Consolidation

The Consolidation will affect all Shareholders uniformly. Except for any variances attributable to fractional shares as described above, the change in the number of issued and outstanding Common Shares that will result from the Consolidation will cause no change in the capital attributable to the Common Shares and will not materially affect any Shareholder's percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Common Shares.

In addition, the Consolidation will not affect any Shareholder's proportionate voting rights. Each Common Share outstanding after the Consolidation will be entitled to one vote. The principal effects of the Consolidation will be that the number of Common Shares issued and outstanding will be reduced from 19,030,780 Common Shares to approximately 9,515,390 post-Consolidation Common Shares (subject to adjustment for fractional shares) as a result of the Consolidation, assuming the consolidation ratio of two (2) pre-Consolidation Common Shares for every one (1) post-Consolidation Common Share.

In general, the Consolidation will not be considered to result in a disposition of Common Shares by Shareholders for Canadian federal income tax purposes. The aggregate adjusted cost base to a Shareholder for such purposes of all Common Shares held by the Shareholder will not change as a result of the Consolidation; however, the Shareholders' adjusted cost base per Common Share will increase proportionately. This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any Shareholder. It is not exhaustive of all federal income tax

considerations. Accordingly, Shareholders should consult their own tax advisors having regard to their own particular circumstances.

Effect on Non-Registered Shareholders

Beneficial Shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for registered common shareholders. If you hold your Common Shares with such a bank, broker or other nominee and if you have questions in this regard, you are encouraged to contact your nominee.

Certain Risks associated with the Consolidation

The effect of the Consolidation upon the market price of the Common Shares cannot be predicted with any certainty, and the history of similar share consolidations for corporations similar to the Corporation is varied. There can be no assurance that the total market capitalization of the Common Shares immediately following the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per-share market price of the Common Shares following the Consolidation will remain higher than the per-share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation. Furthermore, the Consolidation may lead to an increase in the number of Shareholders who will hold "odd lots"; that is, a number of shares not evenly divisible into board lots (a board lot is either 100, 500 or 1,000 shares, depending on the price of the shares). As a general rule, the cost to Shareholders transferring an odd lot of Common Shares is somewhat higher than the cost of transferring a "board lot". Nonetheless, despite the risks and the potential increased cost to Shareholders in transferring odd lots of post-Consolidation Common Shares, the Board believes the Consolidation is in the best interests of all Shareholders.

In order to pass the Consolidation Resolution, at least two-thirds of the votes cast by the holders of Common Shares present at the Meeting in person or by proxy must be voted in favour of the Consolidation Resolution. If the Consolidation Resolution does not receive the requisite shareholder approval, the Corporation will continue with its present share capital. The Corporation requests Shareholders to consider and, if thought advisable, to approve an ordinary resolution substantially in the form set out below:

"BE IT RESOLVED THAT, as a special resolution:

1. The issued and outstanding Common Shares shall be consolidated on the basis of one (1) post-Consolidation Common Share of the Corporation for every two (2) pre-Consolidation Common Shares of the Corporation currently outstanding;

2. The directors of the Corporation are hereby authorized to amend the articles of the Corporation such that all of the Company's Common Shares, both issued and unissued, be consolidated into one-half (1/2) of that number of Common Shares, so that for every two (2) of such Common Shares before the Consolidation be consolidated into one (1) post-Consolidation Common Share.

3. No fractional Common Shares shall be issued upon the Consolidation and in the case where the Consolidation results in the Shareholder otherwise becoming entitled to a fraction of a Common Share, a downward adjustment shall be made to the next whole number of post-Consolidation Common Shares;

4. The directors of the Corporation be and are hereby authorized and directed for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute and deliver a resolution of the directors setting the effective date of the Consolidation and to effect the foregoing resolutions and all other documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determinations to be conclusively evidenced by the execution and delivery of such documents or other instruments or the taking of any such action; and

5. Notwithstanding the approval of the Shareholders to the above resolutions, the directors of the Corporation may revoke the foregoing resolutions before they are acted on without any further approval of the Shareholders."

Recommendation

In considering the recommendations of the management of the Corporation with respect to the Consolidation, Shareholders should be aware that the passing of Consolidation Resolution by two-thirds of the votes cast by Shareholders voting at the Meeting does not commit the Corporation to proceed with completion of the Consolidation, and the ultimate decision to complete the Consolidation will be conditional upon the completion of the Business Combination and be made by the Board in its discretion of what is in the best interests of the Corporation.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or instructions FOR the Consolidation Resolution.

The directors of the Corporation recommend that the Shareholders vote in favour of the approval of the Consolidation. To be adopted, this resolution is required to be passed by two-thirds of the votes cast at the Meeting.

6. Name Change

In connection with and conditional upon the Business Combination, the Corporation proposes to change its name from "Spirit Banner Capital Corp." to "Ion Energy Ltd." or as may otherwise be approved by the Board to better reflect the proposed focus of its operations following the closing of the Business Combination, and as is acceptable to the TSXV and the Alberta Registries and Online Services (the "**Name Change**"). Accordingly, at the Meeting, Shareholders will be asked to approve a special resolution authorizing the Corporation to, among other things, effect an amendment to the articles of the Corporation so as to effect the Name Change (the "**Name Change Resolution**"). The Corporation requests Shareholders to consider and, if thought advisable, to approve a special resolution substantially in the form set out below:

"BE IT RESOLVED THAT, as a special resolution:

1. The Corporation is hereby authorized to file articles of amendment to amend the articles of the Corporation to change the name of the Corporation to "Ion Energy Ltd." or such name as may be determined by the board of directors of the Corporation and which is acceptable to the Alberta Corporate Registry and the TSX Venture Exchange (the "**Name Change**");

2. The articles of amendment in respect of the Name Change shall be in such form as may be approved by any officer or director of the Corporation in order to ensure compliance with the provisions of the *Business Corporations Act* (Alberta) and the Director appointed thereunder, as the same may be amended from time to time; and

3. Notwithstanding the approval of the Shareholders to the above resolutions, the directors of the Corporation may revoke the foregoing resolutions before they are acted on without any further approval of the Shareholders."

Recommendation

In considering the recommendations of the management of the Corporation with respect to the Name Change, Shareholders should be aware that the passing of Name Change Resolution by two-thirds of votes cast by Shareholders voting at the Meeting does not commit the Corporation proceed with completion of the Name Change and the ultimate decision to complete the Name Change will be conditional upon the completion of the Business Combination and will be made by the Board in its discretion of what is in the best interest of the Corporation.

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or instructions FOR the Name Change Resolution. The directors of the Corporation recommend that the Shareholders vote in favour of the approval of the Name Change. To be adopted, this resolution is required to be passed by two-thirds of the votes cast at the Meeting.

7. Other Matters

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting in this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Circular, a Named Executive Officer ("**NEO**") of the Corporation means each of the following individuals:

(a) a chief executive officer ("**CEO**") of the Corporation;

(b) a chief financial officer ("**CFO**") of the Corporation;

(c) if applicable, each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 as determined in accordance with subsection 1.3(6) of Form 51-102F6 – *Statement of Executive Compensation*; and

(d) each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

At the end of the Corporation's most recently completed financial year, being the year ended December 31, 2018, the Corporation had the following two NEOs: Aneel Waraich, President and CEO, and Jing Peng, CFO.

Compensation Discussion and Analysis

To date, the Board has not adopted any formal policies to determine executive compensation. Executive compensation is currently determined by the independent directors of the Board that has general oversight of compensation of employees and executive officers.

In carrying out its duties and responsibilities in relation to compensation and utilizing industry comparable salaries and bonuses, the Board sets annual performance objectives that are aligned to the overall objectives of the Corporation and assess the attainment of the corporate goals to determine the amount of performance bonus compensation paid. In determining the appropriate level of compensation, the Board may consider comparative date for the Corporation's peer group, which are accumulated from a number of external sources, including independent consultants. The Board will consider implementing formal compensation policies in the future should circumstances warrant.

Currently, the long-term compensation available to the NEOs consists of the stock options granted under the Old Plan, which is administered by the Board and is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term, to enable the Corporation to attract and retain individuals with experience and ability, and to reward individuals for current performance and expected future performance. The Board considers stock option grants when reviewing each NEO's compensation package as a whole.

The allocation of stock options is regarded as an important element to attract and retain NEOs for the long term and it aligns their interests with Shareholders.

Director and NEO Compensation, Excluding Compensation Securities

The following table is a summary of compensation paid to each of the directors and NEO of the Corporation for the two most recently completed fiscal years:

Table of compensation excluding compensation securities							
Name and Principal Position	**Fiscal period**	**Salary, consulting fee, retainer or commission ($)**	**Bonus ($)**	**Committee or meeting fees ($)**	**Value of perquisites ($)**	**All other compensation ($)**	**Total compensation ($)**
Aneel Waraich *President, CEO and Director*	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Jing Peng[(1)] *CFO*	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Gregory Wood[(2)] *Director*	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Peter Bures[(2)] *Director*	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Bataa Tumur-Ochir[(2)] *Director*	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1) Mr. Peng resigned as CFO of the Corporation on April 26, 2019. Mr. Peter Schloo was appointed CFO of the Corporation on April 26, 2019.
2) Member of the Audit Committee.

The New Stock Option Plan

Stock options are a key part of the Corporation's long-term incentive compensation program, and assist the Corporation in attracting, retaining and motivating its employees, directors, officers, and other eligible persons whose contributions are important to its future success. The Board believes it would be advisable and in the best interests of the Corporation to adopt the New Stock Option Plan. The terms of the Old Plan no longer apply given the changes to its corporate structure and the terms of the New Stock Option Plan comply with the policies of the Exchange. The Board is focused on building an elite team to carry out its business plan, and believes that the New Stock Option Plan will enable them to continue to attract and motivate team members, and align their interests with those of Shareholders.

The New Stock Option Plan is administered by the Board and provides that stock options ("**Options**") may be issued to directors, officers, employees, management company employee or consultants of the Corporation or a subsidiary of the Corporation. The number of options issuable under the New Stock Option Plan, together with all of the Corporation's previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares. Pursuant to the New Stock Option Plan, all Options expire on a date not later than 10 years after the date of grant of an option.

The New Stock Option Plan is subject to the following restrictions:

- the Corporation must not grant an Option to any consultants in any twelve (12) month period that exceeds 2% of the outstanding Common Shares, less the aggregate number of Common Shares reserved for issuance or issuable under any other Share Compensation Arrangement of the Corporation;

- the aggregate number of Options granted to Consultants conducting Investor Relations Activities for the Corporation in any twelve (12) month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, less the aggregate number of Common Shares reserved for issuance or issuable under any other Share Compensation Arrangement of the Corporation;

- Options granted to Consultants conducting Investor Relations Activities for the Corporation shall vest over a period of not less than twelve (12) months with no more than twenty-five percent (25%) of the Options vesting in any three (3) month period;

- the aggregate number of Common Shares reserved for issuance under the New Stock Option Plan must not exceed 10% of the issued and outstanding Common Shares (in the event that the New Stock Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Corporation has obtained by a majority of votes casted by the Shareholders eligible to vote at a Shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates (the "**Disinterested Shareholders**");

- the aggregate number of Common Shares reserved for issuance under the New Stock Option Plan to any individual in any twelve (12) month period must not exceed five percent (5%) of the issued and outstanding Common Shares of the Corporation, unless the Corporation has obtained approval by a majority of votes casted by Disinterested Shareholders eligible to vote at a Shareholders' meeting; and

- no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted.

The following description of the material features of the New Stock Option Plan is qualified in its entirety by the full text of the New Stock Option Plan, a copy of which is attached to this Circular as Schedule "A". For greater certainty, please refer to the defined terms in Schedule "A" to compliment the reading of the following material features:

- Persons who are directors, officers, employees, management company employees, consultants or consultant companies to the Corporation or its Subsidiary Companies are eligible to receive grants of Options under the New Stock Option Plan;

- Options granted under the New Stock Option Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;

- For Options granted to employees of the Corporation, Consultants or individuals employed by a company or individual providing management services (the "**Participants**") to the Corporation, the Corporation and the Participant are responsible for ensuring and confirming that the Participant is a bona fide employee of the Corporation, Consultant or individual employed by a company or individual providing management services to the Corporation, as the case may be;

- all unvested Options held by a non-executive director of the Corporation shall automatically vest on the date of his or her retirement from the Board, and thereafter each vested Option held by such Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and ninety (90) days after the date of his or her retirement from the Board;

- if the Board service, consulting relationship, or employment of a Participant with the Corporation or a Subsidiary Company is terminated for Cause, each vested and unvested option held by the Participant will automatically terminate and become void on Termination Date;

- if a Participant of the New Stock Option Plan dies, the legal representation of that Participant may exercise the Participant's vested Options for a period until the earlier of the original Expiry Date of the Option and twelve (12) months after the date of the Participant's death. All unvested options become void on the date of death of such Participant;

- if a Participant ceases to be eligible under the New Stock Option Plan other than by reason of retirement, termination for Cause or death, each vested Option held by the Participant will cease to be exercisable on the earlier of the original Expiry Date of the Option and twelve (12) months after the Termination Date. All unvested Options held by such Participant shall automatically terminate and become void on Termination Date of such Participant;

- notwithstanding the termination and nullity of unvested Options for Participants ceasing to be an Eligible Person, if a Participant is an officer of the Corporation and ceases to be an Eligible Person as a result of such officer's termination without cause or resignation for Good Reason, any unvested Options as of the Termination Date will be accelerated and become immediately fully vested as of such date;

- the exercise price of each Option shall be set by the Board at the time the Option is granted, but in no event shall it be less than the Market Price;

- vesting of the Options shall be at the discretion of the Board; and

- the Board may from time to time, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and any Certificate relating thereto, provided that no such suspension, termination, amendment or revision will be made:

    (i) except in compliance with applicable law and with prior approval, if required, of the Exchange or any other regulatory body having authority over the Corporation, Plan or the Shareholders; and

    (ii) in the case of an amendment or revision, if it materially adversely affects the rights of any Participant, without the consent of the Participant.

At the date of this Circular, there are 1,903,078 outstanding Options. Assuming completion of the Consolidation, there will be 951,539 post-Consolidation Options outstanding.

Compensation Securities Table

The following table discloses the particulars of the option-based awards outstanding to NEOs and directors of the Corporation as at December 31, 2018:

Name	No. of Common Shares underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options[(1)] ($)
Aneel Waraich	451,981	0.10	Feb. 21, 2023	Nil
Gregory Wood	451,981	0.10	Feb. 21, 2023	Nil
Peter Bures	451,981	0.10	Feb. 21, 2023	Nil
Bataa Tumur-Ochir	451,981	0.10	Feb. 21, 2023	Nil
Jing Peng[(2)]	95,154	0.10	Feb. 21, 2023	Nil

Notes:

(1) Calculated using the closing price of the Common Shares on the TSX-V on December 31, 2018, the last trading day of the year end, of $0.065 and subtracting the exercise price of in-the-money options. These options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the Common Shares on the date of exercise.

(2) Mr. Peng resigned as CFO of the Corporation on April 26, 2019. Mr. Peter Schloo was appointed CFO of the Corporation on April 26, 2019.

Risk Oversight

In carrying out its mandate, the Board reviews from time to time the risk implications of the Corporation's compensation policies and practices, including those applicable to the Corporation's executives. This review of the risk implications ensures that compensation plans, in their design, structures, and application have a clear link between pay and performance and do not encourage excessive risk taking. Key considerations regarding risk management include the following:

- design of the compensation program to ensure all executives are compensated equally based on the same or, depending on the mandate and term of appointment of that particular executive, substantially equivalent performance goals;

- balance of short-term performance incentives with equity-based awards that vest overtime;

- ensuring overall expense to the Corporation of the compensation program does not represent a disproportionate percentage of the Corporation's revenues, after giving consideration to the development stage of the Corporation; and

- utilizing compensation policies that do not rely solely on the accomplishment of specific tasks without consideration to longer term risks and objectives.

For reasons set forth above, the Board believes that the Corporation's current executive compensation policies and practices achieve an appropriate balance in relation to the Corporation's overall business strategy and do not encourage executives to expose the Corporation to inappropriate or excessive risks.

External Management Contracts

The Corporation is not party to any external management contracts.

Pension Plan Benefits, Termination and Change of Control Benefits

The Corporation has no pension or retirement plan. The Corporation has not provided compensation, monetary or otherwise to any person who now acts as a NEO of the Company, in connection with or related to the retirement, termination or resignation of such person and the Corporation has provided no compensation to such persons as a result of a change of control of the Corporation, its subsidiaries or affiliates. The Corporation is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of any person.

Director Compensation

Currently no director of the Corporation receives any salary and, except for Options set out above, no compensation has been awarded to directors of the Corporation for the year ended December 31, 2018. Directors who are employed by the Corporation currently do not receive cash director's fees. All directors are entitled to participate in the Old Plan and will be entitled to participate in the New Stock Option Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the number of Common Shares authorized for issuance pursuant to the Corporation's equity compensation plans as at December 31, 2018:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders[(1)]	N/A	N/A	N/A
Equity compensation plans not approved by security holders	1,903,078	$0.10	Nil[(2)]
Total	1,903,078	$0.10	Nil

Notes:

(1) The Corporation's only equity compensation plan is the Old Plan, a rolling stock option plan. The number of shares which may be reserved for issuance under the Old Plan is limited to 10% of the issued and outstanding Common Shares on the options grant date. At the Meeting, Shareholders will asked to vote on a resolution approving the New Stock Option Plan, a rolling stock option plan, to replace the Old Plan. For more information about the material features of the Old Plan and the New Stock Option Plan, see "*Executive Compensation – The New Stock Option Plan*" above.

(2) Based on 19,030,780 Common Shares outstanding as at December 31, 2018.

STATEMENT OF CORPORATE GOVERNANCE

The description of the Corporation's current corporate governance practices is provided in accordance with Form 58-101F2 of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**").

Board of Directors

NI 58-101 defines an "independent director" as a director who has no direct or indirect "material relationship" with the issuer. A "material relationship" is as a relationship that could be, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently composed of four directors, being Aneel Waraich (Chair), Gregory Wood, Peter Bures, and Bataa Tumur-Ochir. The Board has determined that each of Messrs. Wood, Bures and Tumur-Ochir are independent within the meaning of NI 58-101. Mr. Waraich is not considered independent within the meaning of NI 58-101 because he is an executive officer (as such term is defined in NI 58-101) of the Corporation and is thereby considered to have a material relationship with the Corporation.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings of the independent directors as deemed necessary, at which non-independent directors and members of management are not in attendance.

Other Public Company Directorships

Name of Director	Reporting Issuer	Exchange traded on
Aneel Waraich	Antler Hill Mining Ltd.	**TSXV**
	Spirit Banner Capital Corp.	**TSXV**
	Steppe Gold Ltd.	**TSX**
Gregory Wood	Black Star Petroleum Ltd.	**ASX**
	Carajas Copper Company Ltd.	**ASX**
Peter Bures	Antler Hill Mining Ltd.	**TSXV**
Bataa Tumur-Ochir	Steppe Gold Ltd.	**TSX**
	Spirit Banner Capital Corp.	**TSXV**
	Spirit Banner II Capital Corp.	**TSXV**

Orientation and Continuing Education of Board Members

While the Corporation does not currently have a formal orientation and education program for new members of the Board, the Corporation provides such orientation and education on an ad hoc and informal basis. The directors believe that these procedures are a practical and effective approach in light of the Corporation's particular circumstances, including the size of the Corporation, the number, experience and expertise of its directors.

Ethical Business Conduct

The directors maintain that the Corporation must conduct and be seen to conduct its business dealings in accordance with all applicable laws and the highest ethical standards. The Corporation's reputation for honesty and integrity amongst its shareholders and other stakeholders is key to the success of its business. No employee or director will be permitted to achieve results through violation of laws or regulations, or through unscrupulous dealings.

Any director with a conflict of interest or who is capable of being perceived as being in conflict of interest with respect to the Corporation must abstain from discussion and voting by the board of directors or any committee of the board of directors on any motion to recommend or approve the relevant agreement or transaction. The board of directors must comply with conflict of interest provisions of the *Business Corporations Act* (Alberta).

Nomination of Directors

Both the directors and management are responsible for selecting nominees for election to the board of directors. At present, there is no formal process established to identify new candidates for nomination. The board of directors and management determine the requirements for skills and experience needed on the board of directors from time to time. The present Board and management expect that new nominees have a track record in general business management, special expertise in an area of strategic interest to the Corporation, the ability to devote the time required, support for the Corporation's business objectives and a willingness to serve.

Compensation

The Board is directly responsible for determining compensation of directors and management. The Board does not currently have a compensation committee. The Board reviews the Corporation's compensation policies and remuneration of directors and management annually, including base salaries, bonuses, and stock option plans and grants thereunder, and other forms of compensation. For more information on the Corporation's compensation practices, please see the section of this Circular entitled "*Executive Compensation*".

Other Board Committees

The Board has no standing committees other than the Audit Committee.

Assessments

The Board does not consider formal assessments useful given the stage of the Corporation's business and operations. However, the directors believe that nomination to the Board is not open ended and that directorships should be reviewed carefully for alignment with the strategic needs of the Corporation. To this extent, the directors constantly review (i) individual director performance and the performance of the board of directors as a whole, including processes and effectiveness; and (ii) the performance of the Chairman, if any, of the Board. A more formal assessment process will be instituted if and when the Board considers it to be advisable.

AUDIT COMMITTEE INFORMATION

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

The audit committee of the Corporation's board of directors ("**Audit Committee**") is responsible for monitoring the Corporation's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents and monitoring the performance and independence of the Corporation's external auditors. The committee

is also responsible for reviewing the Corporation's annual audited financial statements, unaudited quarterly financial statements and management's discussion and analysis of financial results of operations for both annual and interim financial statements and review of related operations prior to their approval by the full board of directors.

Audit Committee Charter

The full text of the charter of the Audit Committee is attached hereto as Schedule "B".

Composition of the Audit Committee

The members of the Audit Committee are Gregory Wood, Peter Bures, and Bataa Tumur-Ochir. Each member of the Audit Committee is considered independent within the meaning of NI 52-110. Each member of the Audit Committee is considered to be financially literate within the meaning of NI 52-110, which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the Corporation's financial statements.

Relevant Education and Experience

Gregory Wood

Mr. Wood has been the general manager of Steppe Gold Ltd., a junior mining exploration company in Mongolia, since 2016. From 2010 until 2015, Mr. Wood served as Chief Executive Officer of Black Star Petroleum Ltd., an Australian Stock Exchange listed company and from 2000 until 2009, Mr. Wood was a Systems Accountant with Asciano Limited in New South Wales, Australia.

Peter Bures

Mr. Bures is currently a self-employed consultant. Since June 2017, Mr. Bures has been the Chief Executive Officer and a director of Antler Hill Mining Ltd., an Exchange listed CPC. From 2014 until May 2017, Mr. Bures was Vice President of Equity Research at Canaccord Genuity Inc., and prior thereto, from 2011 until 2013, Mr. Bures was the Director of Equity Sales at BMO Capital Markets in New York. Mr. Bures was an Associate Portfolio Manager at Sentry Investments from 2007 until 2011 and an Associate Analyst at Orion Securities from 2002 until 2007. Mr. Bures holds a bachelor of Applied Science (geological and mineral engineering) from the University of Toronto which he obtained in 1999.

Bataa Tumur-Ochir

Mr. Tumur-Ochir is currently the Vice-President and a director of Steppe Gold Ltd., a junior mining exploration company in Mongolia, since 2016. Since 2013, Mr. Tumur-Ochir has been the Chief Executive Officer and a director of Wolf Petroleum Ltd., an Australian Stock Exchange listed company and a director of Next Level LLC, a marketing company in Mongolia since 2004. Mr. Tumur-Ochir holds a bachelor's degree in Business Administration from the Mongolian University of Science and Technology in 2006.

External Auditor Matters

Since the commencement of the Corporation's most recently completed financial year, the Corporation's directors have not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor and the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the financial year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Corporation's directors and, where applicable, the Audit Committee, on a case-by-case basis.

The following table discloses the service fees billed to the Corporation by its external auditor during the last two completed financial years:

Financial Year Ending	Audit Fees[(1)]	Audit Related Fees[(2)]	Tax Fees[(3)]	All Other Fees[(4)]
December 31, 2018	$8,864.50	Nil	Nil	Nil
December 31, 2017	$5,617.50	Nil	Nil	Nil

Notes:

(1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.

(2) The aggregate fees billed for professional services rendered by the auditor and consisted primarily of file quality review fees and fees for the review of quarterly financial statements and related documents.

(3) Aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

(4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

Exemption

Since the Corporation is a "venture issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the U.S., or a market outside of Canada and the U.S.), it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the year ended December 31, 2018, no director, executive officer, or associate of any director or executive officer of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the informed persons (as such term is defined in NI 51-102) of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Corporation since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the Corporation's profile on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the years ended December 31, 2018 and 2017, which are also available on SEDAR. Inquiries, including requests for copies of the Corporation's financial statements and management's discussion and analysis for the years ended December 31, 2018 and 2017, may be directed to the Corporation by telephone at 1 (647) 998-4149.

APPROVAL

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Board.

DATED this 19th day of November, 2019

BY ORDER OF THE BOARD OF DIRECTORS OF SPIRIT BANNER CAPITAL CORP.

(signed) "Aneel Waraich"
Aneel Waraich
President

SCHEDULE "A"

SPIRIT BANNER CAPITAL CORP.

STOCK OPTION PLAN

[See following pages]

SPIRIT BANNER CAPITAL CORP.
(the **"Company")**

Stock Option Incentive Plan

1. PURPOSE

The purpose of this Stock Option Incentive Plan is to provide an incentive to Eligible Persons to acquire a proprietary interest in the Company, to continue their participation in the affairs of the Company and to increase their efforts on behalf of the Company.

2. DEFINITIONS

In this Plan, the following words have the following meanings:

(a) "Board" means the Board of Directors of the Company;

(b) "Common Shares" means the Common Shares of the Company;

(c) "Company" means **SPIRIT BANNER CAPITAL CORP.;**

(d) "Consultant" has the meaning set out in the policies of the TSX Venture Exchange;

(e) "Effective Date" means the day following the date upon which the Plan has been approved by the last to approve of the shareholders of the Company, the Board, the Exchange and any other regulatory authority having jurisdiction over the Company's securities;

(f) "Eligible Person" means any director, officer or technical consultant (where permitted by securities laws) and their permitted assigns (as those terms are defined by the policies of the TSX Venture Exchange and National Instrument 45-106 as amended from time to time) of the Company orany affiliate of the Company;

(g) "Exchange" means the TSX Venture Exchange and any other stock exchange or stock quotation system on which the Common Shares trade;

(h) "Fair Market Value" means, as of any date, the value of the Common Shares, determined as follows:

(i) if the Common Shares are listed on the TSX Venture Exchange, the Fair Market Value shall be the last closing sales price for such shares as quoted on such Exchange for the market trading day immediately prior to the date of grant of the Option, less any discount permitted by the TSX Venture Exchange;

(ii) if the Common Shares are listed on an Exchange other than the TSX Venture Exchange, the fair market value shall be the closing sales price of such shares (or the closing bid, if no sales were reported) as quoted on such Exchange for the market trading day immediately prior to the time of determination less any discount permitted by such Exchange; and

(iii) if the Common Shares are not listed on an Exchange, the Fair Market Value shall be determined in good faith by the Board;

(i) "Investor Relations Activities" has the meaning set out in the policies of the TSX Venture Exchange;

(j) "Option" means the option granted to an Optionee under this Plan and the Option Agreement;

(k) "Option Agreement" means such option agreement or agreements as is approved from time to time by the Board and as is not inconsistent with the terms of this Plan;

(l) "Option Date" means the date of grant of an Option to an Optionee;

(m) "Option Price" is the price at which the Optionee is entitled pursuant to the Plan and the Option Agreement to acquire Option Shares;

(n) "Option Shares" means, subject to the provisions of Article 8 of this Plan, the Common Shares which the Optionee is entitled to acquire pursuant to this Plan and the applicable Option Agreement;

(o) "Optionee" means a person to whom an Option has been granted;

(p) "Plan" means this Stock Option Incentive Plan; and

(q) "Vested" means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

3. ADMINISTRATION

The Plan shall be administered by the Board, and subject to the rules of the Exchange from time to time and except as provided for herein, the Board shall have full authority to:

(a) determine and designate from time to time those Eligible Persons to whom Options are to be granted and the number of Option Shares to be optioned to each such Eligible Person;

(b) determine the time or times when, and the manner in which, each Option shall be exercisable and the duration of the exercise period;

(c) determine from time to time the Option Price, provided such determination is not inconsistent with this Plan; and

(d) interpret the Plan and to make such rules and regulations and establish such procedures as it deems appropriate for the administration of the Plan, taking into consideration the recommendations of management.

4. OPTIONEES

Optionees must be Eligible Persons who, by the nature of their jobs or their participation in the affairs of the Company, in the opinion of the Board, are in a position to contribute to the success of the Company.

5. EFFECTIVENESS AND TERMINATION OF PLAN

The Plan shall be effective as of the Effective Date and shall terminate on the earlier of:

(a) the date which is ten years from the Effective Date; and

(b) such earlier date as the Board may determine.

Any Option outstanding under the Plan at the time of termination of the Plan shall remain in effect in accordance with the terms and conditions of the Plan and the Option Agreement.

6. THE OPTION SHARES

The aggregate number of Option Shares reserved for issuance under the Plan and Common Shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time may not exceed in aggregate 10% of the Company's Common Shares issued and outstanding upon completion of the Company's initial public offering.

7. GRANTS, TERMS AND CONDITIONS OF OPTIONS

Options may be granted by the Board at any time and from time to time prior to the termination of the Plan. Options granted pursuant to the Plan shall be contained in an Option Agreement and, except as hereinafter provided, shall be subject to the following terms and conditions:

(a) Option Price

The Option Price shall be determined by the Board, provided that such price shall not be lower than the Fair Market Value of the Option Shares on the date of grant of the Option.

(b) Duration and Exercise of Options

Except as otherwise provided elsewhere in this Plan, the Options shall be exercisable for a period, or in percentage installments over a period, to be determined in each instance by the Board, not exceeding ten years from the Option Date, provided that so long as the Company is classified as a "Tier 2" issuer by the TSX Venture Exchange, the Options shall be exercisable for a period not exceeding five years from the Option Date. The Options must be exercised in accordance with this Plan and the Option Agreement.

Except as contemplated in (c) below, no Option may be exercised by an Optionee who an Eligible Person at the time of grant of such Option was unless the Optionee shall have been an Eligible Person continuously since the Option Date. Absence on leave, with the approval of the Company, shall not be considered an interruption of employment for the purpose of the Plan.

(c) Termination

All rights to exercise Options shall terminate upon the earliest of:

(i) the expiration date of the Option;

(ii) the 90th day after the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause (provided that if the Company is a Capital Pool Company, as defined in the policies of the TSX Venture Exchange and the Optionee does not carry on as a director, officer, senior employee or consultant of the Company upon completion of the Company's Qualifying Transaction (as defined in the policies of the TSX Venture Exchange), the Options shall be exercisable until the greater of 12 months after the completion of such Qualifying Transaction and the 90th day after the Optionee ceases to be an Eligible Person for any reason other than death, disability or cause);

(iii) the 30th day after the Optionee who is engaged in Investor Relations Activities for the Company ceases to be employed to provide Investor Relations Activities;

(iv) the date on which the Optionee ceases to be an Eligible Person by reason or termination of the Optionee as an employee or consultant of the Company for cause (which, in the case of a consultant, includes any breach of an agreement between the Company and the consultant);

(v) the first anniversary of the date on which the Optionee ceases to be an Eligible Person by reason of termination of the Optionee as an employee or consultant on account of disability; or

(vi) the first anniversary of the date of death of the Optionee.

(d) Re-issuance of Options

Options which are cancelled or expire prior to exercise may be re-issued under the Plan.

(e) Transferability of Option

Options are non-transferable and non-assignable.

(f) Vesting of Option Shares

The Directors may determine and impose terms upon which each Option shall become Vested in respect of Option Shares.

(g) Other Terms and Conditions

The Option Agreement may contain such other provisions as the Board deems appropriate, provided such provisions are not inconsistent with the Plan and the requirements of the TSX Venture Exchange.

In addition, for as long as the Common Shares of the Company are listed on the TSX Venture Exchange, the Company shall comply with the following requirements:

(i) so long as the Company is classified as either a "Tier I" or "Tier 2" issuer by the TSX Venture Exchange, Options to acquire more than 5% of the issued and outstanding Common Shares of the Company may not be granted to any one individual in any 12 month period;

(ii) Options to acquire more than 2% of the issued and outstanding Common Shares of the Company may not be granted to any one consultant in any 12 month period;

(iii) Options to acquire more than an aggregate of 2% of the issued and outstanding Common Shares of the Company may not be granted to persons employed to provide Investor Relations Activities in any 12 month period;

(iv) Options issued to Consultants performing Investor Relations Activities must vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period;

(v) the approval of the disinterested shareholders of the Company shall be obtained for any amendment to or reduction in the exercise price of the Option if the Optionee is an insider of the Company at the time of the amendment. For the purposes of this subsection, the term "insider" has the meaning assigned in the securities legislation applicable to the Company;

(vi) for Options granted to the employees, consultants or management company employees of the Company, the Company will represent that the Optionee is a *bona fide* employee, consultant or management company employee of the Company, as the case may be; and

(vii) any Option Shares acquired pursuant the exercise of options prior to the completion of the Company's Qualifying Transaction, as defined in the policies of the Exchange, must be deposited in escrow in accordance with the policies of the Exchange.

8. **ADJUSTMENT OF AND CHANGES IN THE OPTION SHARES**

(a) If the Common Shares are at any time to be listed or quoted on any stock exchange or stock quotation system other than the TSX Venture Exchange, to the extent that there are any Options which are outstanding and unexercised at the time of such application for listing, the Option Price, the aggregate number of Option Shares, the exercise period, and any other relevant terms of such Options, and the Option Agreements in relation thereto, shall be amended in accordance with the requirements of any applicable securities regulation or law or any applicable governmental or regulatory body (including the Exchange). Subject to the requirements of the Exchange, any such amendment shall be effective upon receipt of Board approval of it, and the approval of any of the shareholders of the Company or any of the Optionees is not required to give effect to such amendment.

(b) If the Common Shares, as presently constituted, are changed into or exchanged for a different number or kind of shares or other securities of the Company or of another Company (whether by reason of merger, consolidation, amalgamation, recapitalization, reclassification, split, reverse split, combination of shares, or otherwise) or if the number of such Common Shares are increased through the payment of a stock dividend, then there shall be substituted for or added to each Option Share subject to or which may become subject to an Option under this Plan, the number and kind of shares or other securities into which each outstanding Option Share is so changed, or for which each such Option Share is exchanged, or to which each such Option Share is entitled, as the case may be. Outstanding Options under the Option Agreements shall also be appropriately amended as to price and other terms as may be necessary to reflect the foregoing events. In the event that there is any other change in the number or kind of the outstanding Common Shares or of any shares or other securities into which such Option Shares are changed, or for which they have been exchanged, then, if the Board shall, in its sole discretion, determine that such change equitably requires an adjustment in any Option theretofore granted or which may be granted under the Plan, such adjustment shall be made in accordance with such determination.

(c) Fractional shares resulting from any adjustment in Options pursuant to this Section 8 will be cancelled. Notice of any adjustment shall be given by the Company to each holder of an Option which has been so adjusted and such adjustment (whether or not such notice is given) shall be effective and binding for all purposes of the Plan.

9. **PAYMENT**

Subject as hereinafter provided, the full purchase price for each of the Option Shares shall be paid by certified cheque in favour of the Company upon exercise thereof. An Optionee shall have none of the rights of a shareholder in respect of the Option Shares until the shares are issued to such Optionee.

10. **SECURITIES LAW REQUIREMENTS**

No Option shall be exercisable in whole or in part, nor shall the Company be obligated to issue any Option Shares pursuant to the exercise of any such Option, if such exercise and issuance would, in the opinion of counsel for the Company, constitute a breach of any applicable laws from time to time, or the rules from time to time of the Exchange. Each Option shall be subject to the further requirement that if at any time the Board determines that the listing or qualification of the Option Shares under any securities legislation or other applicable law, or the consent or approval of any governmental or other regulatory body (including the Exchange), is necessary as a condition of, or in connection with, the issue of the Option Shares hereunder, such Option may not be exercised in whole or in part unless such listing, qualification, consent or approval has been effected or obtained free of any conditions not acceptable to the Board.

11. **AMENDMENT OF THE PLAN**

(a) The Board may amend, suspend or terminate the Plan or any portion thereof at any time, but an amendment may not be made without shareholder approval if such approval is necessary to comply with any applicable regulatory requirement.

(b) The Board shall have the power, in the event of:

(i) any disposition of substantially all of the assets of the Company, dissolution or any merger, amalgamation or consolidation of the Company, with or into any other Company, or the merger, amalgamation or consolidation of any other Company with or into the Company; or

(ii) any acquisition pursuant to a public tender offer of a majority of the then issued and outstanding Common Shares;

but subject to compliance with the rules of the Exchange, to amend any outstanding Options to permit the exercise of all such Options prior to the effectiveness of any such transaction, and to terminate such Options as of such effectiveness in the case of transactions referred to in subsection (i) above, and as of the effectiveness of such tender offer or such later date as the Board may determine in the case of any transaction described in subsection (ii) above. If the Board exercises such power, all Options then outstanding and subject to such requirements shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Board prior to the effectiveness of such transaction, and such Options shall also be deemed to have terminated as provided above.

12. POWER TO TERMINATE OR AMEND PLAN

Subject to the approval of any stock exchange on which the Company's securities are listed, the Board may terminate, suspend or amend the terms of the Plan; provided, that the Board may not do any of the following without obtaining, within 12 months either before or after the Board's adoption of a resolution authorizing such action, shareholder approval, and, where required, disinterested shareholder approval, or by the written consent of the holders of a majority of the securities of the Company entitled to vote:

(a) increase the aggregate number of Common Shares which may be issued under the Plan;

(b) materially modify the requirements as to the eligibility for participation in the Plan which would have the potential of broadening or increasing Insider participation;

(c) add any form of financial assistance or any amendment to a financial assistance provision which is more favourable to participants under the Plan;

(d) add a cashless exercise feature, payable in cash or securities, which does not provide for a full deduction of the number of underlying securities from the Plan reserve; and

(e) materially increase the benefits accruing to participants under the Plan.

However, the Board may amend the terms of the Plan to comply with the requirements of any applicable regulatory authority without obtaining shareholder approval, including:

(a) amendments of a housekeeping nature to the Plan;

(b) a change to the vesting provisions of a security or the Plan; and

(c) a change to the termination provisions of a security or the Plan which does not entail an extension beyond the original expiry date.

13. SHAREHOLDER APPROVAL

This Plan is subject to the approval of the shareholders of the Company if required pursuant to the policies of the Exchange. Any Options granted prior to such approval, if required, are conditional upon such approval being given, and no such Options may be exercised unless and until such approval, as required, is given.

SCHEDULE "B"

CHARTER OF THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS

MANDATE

The Audit Committee ("**Committee**") is a committee of the board of directors (the "**Board**"). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting and disclosure requirements, the overall maintenance of the systems of internal controls that management have established and the overall responsibility for Spirit Banner Capital Corporation's (the "**Company**") external and internal audit processes.

The Committee shall have the power to conduct or authorize investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Committee shall maintain an open communication between the Company's outside auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.

The Committee has the duty to determine whether the Company's financial disclosures are complete, accurate, are in accordance with international financial reporting standards and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company's own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

MEMBERSHIP AND COMPOSITION

The Committee shall consist of at least three Directors who shall serve on behalf of the Board. The members shall be appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSX Venture Exchange, including Multilateral Statement 52-110, and other regulatory agencies as required.

A majority of Members will constitute a quorum for a meeting of the Committee.

The Board will appoint one Member to act as the Chairman of the Committee. In his absence, the Committee may appoint another person provided a quorum is present. The Chairman will appoint a Secretary of the meeting, who need not be a member of the committee and who will maintain the minutes of the meeting.

MEETINGS

At the request of the external auditor, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chairman will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chairman, with the assistance of the Chief Financial Officer, will ensure that the agenda and meeting materials are distributed in a timely manner and no less than five (5) business days before the meeting.

The Committee shall meet no less than four times per year or more frequently if circumstances or the obligations require.

DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee shall be as follows:

A. Financial Reporting and Disclosure

i. Review and discuss with management and the external auditor at the completion of the annual examination:

a. the Company's audited financial statements and related notes;

b. the external auditor's audit of the financial statements and their report thereon;

c. any significant changes required in the external auditor's audit plan;

d. any serious difficulties or disputes with management encountered during the course of the audit; and

e. other matters related to the conduct of the audit, which are to be communicated to the Committee under generally accepted auditing standards.

ii. Review and discuss with management and the external auditor at the completion of any review engagement or other examination, the Company's quarterly financial statements.

iii. Review, discuss with management the annual reports, the quarterly reports, the Management Discussion and Analysis, Annual Information Form, prospectus and other disclosures and, if thought advisable, recommend the acceptance of such documents to the Board for approval.

iv. Review and discuss with management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.

v. Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.

vi. Meet independently with the external auditor and management in separate executive sessions, as necessary or appropriate.

vii. Ensure that management has the proper systems in place so that the Company's financial statements, financial reports and other financial information satisfy legal and regulatory requirements. Based upon discussions with the external auditor and the financial statement review, if it deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements.

viii. Oversee and enforce Company's public disclosure practices.

B. External Auditor

i. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.

ii. Recommend to the Board the external auditor to be nominated and review the performance of the auditor, including the lead partner of the external auditor.

iii. Confirm with the external auditor and receive written confirmation at least once per year as to disclosure of any investigations or government enquiries, reviews or investigations of the outside auditor.

iv. Take reasonable steps to confirm the independence of the external auditor, which shall include:

a. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with generally accepting auditing practices,

b. considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor, and

c. approve in advance any non-audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements, including the requirements of the TSX-V with respect to approval of non-audit related serviced performed by the auditor.

C. Internal Controls and Audit

i. Review and assess the adequacy and effectiveness of the Company's systems of internal and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.

ii. Assess the requirement for the appointment of an internal auditor for the Company.

iii. Inquire of management and the external auditor about the systems of internal controls that management and the Board have established and the effectiveness of those systems. In addition, inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimize such risks to the Company.

OVERSIGHT FUNCTION

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of management and the external auditors. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

CHARTER REVIEW

The Committee will annually review and reassess the adequacy of this policy and submit any recommended changes to the Board for approval.