

# AURORA SOLAR TECHNOLOGIES INC.

930 West 1<sup>st</sup> Street, Suite 223  
North Vancouver, BC V7P 3N4

## MANAGEMENT INFORMATION CIRCULAR

(Containing information as at October 18, 2017, unless indicated otherwise)

### *Solicitation of Proxies*

This Management Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by management of Aurora Solar Technologies Inc. (the “**Company**”) for use at the Annual General Meeting (the “**Meeting**”) of Shareholders of the Company to be held on November 22, 2017 at the time and place and for the purposes set forth in the accompanying Notice of Meeting. It is expected that solicitations of proxies will be primarily by mail and possibly supplemented by telephone or other personal contact by directors, officers and employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company. The contents and the sending of this Circular have been approved by the directors of the Company.

### *Appointment of Proxies*

The individuals named in the accompanying form of proxy are nominees of the Company’s management. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person (who need not be a shareholder) to attend and act in your behalf, either by striking out the two printed names and inserting the name of your nominee in the blank space provided, or by completing another form of proxy.**

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder’s attorney authorized in writing. In the case of a corporation, the proxy must be signed by a duly authorized officer of or an attorney for the corporation.

A proxy will not be valid unless the completed form of proxy is received by Computershare Trust Company of Canada, Proxy Department, 9<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, by mail or fax at least 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or if the Meeting is adjourned, before the time that the Meeting is to be reconvened. Proxies delivered after such times will not be accepted.

### *Revocation of Proxies*

A shareholder who has given a proxy may revoke it at any time before the proxy is exercised by executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or by the registered shareholder’s authorized attorney in writing or, if the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Company at Suite #700, 595 Burrard Street, Vancouver, British Columbia, V7X 1S8 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, or delivered to the Chair of the Meeting on the day of the Meeting or any adjournment of it; or by personally attending the Meeting and voting the registered shareholder’s Shares. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### *Registered Shareholders*

If you are a registered shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. If you submit a proxy, you must complete, date and sign the Proxy and then return it to the Company’s transfer agent, Computershare Trust Company of Canada by fax within North America at 1-866-249-7755, outside North America at (416) 263-9524, or by mail or by hand delivery at 9<sup>th</sup> floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time that the Meeting or the adjournment of the Meeting at which the Proxy is to be used.

### *Non-Registered Shareholders*

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” or “beneficial” shareholders because the shares they own are not registered in their names, but are instead registered in the name of a nominee such as the brokerage firm through which they purchased their shares; a bank, trust company, trustee or administrator of self-administered RRSP’s, RRIF’s, RESP’s and similar plans; or a clearing agency such as The Canadian Depository for Securities**

**Limited (“CDS & CO.”). If you purchased your shares through a broker, you are likely a non-registered holder. Shareholders who do not hold their shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders may vote at the Meeting.** Without specific instructions, brokers and their agents and nominees are prohibited from voting 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.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meeting. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (formerly ADP Investor Communications Services) (“Broadridge”). Broadridge typically prepares a machine- readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

This Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“Objecting Beneficial Owners”, or “OBO’s”) and those who do not object to their identity being made known to the issuers of the securities they own (“Non-Objecting Beneficial Owners”, or “NOBO’s”). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers (“NI 54-101”) issuers may request and obtain a list of the NOBO’s from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

The Company has decided to take advantage of the provisions of NI 54-101 that permit it to deliver proxy-related material directly to its NOBO’s. By choosing to send these materials to you directly, the Company (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result if you are a NOBO of the Company you can expect to receive a scannable Voting Instruction Form (“VIF”) from the Transfer Agent. Please complete and return the VIF to the Transfer Agent in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found in the VIF. The Transfer Agent will tabulate the results of the VIF’s received from the Company’s NOBO’s and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIF’s they receive. The Company’s OBO’s can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above.

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

### *Voting of Proxies*

The shares represented by a properly executed proxy in favour of persons designated as proxyholders in the accompanying form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

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

### **VOTES NECESSARY TO PASS RESOLUTIONS**

The Company's Articles provide that the quorum for the transaction of business at the Meeting is at least two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting.

Shareholders will be asked to elect directors and appoint auditors for the ensuing year. If there are more nominees for election as directors or appointment as the Company's auditors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors (the "**Board**") of the Company has fixed October 18, 2017 as the record date for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Company is authorized to issue an unlimited number of Common Shares. As of October 18, 2017, there were 52,166,541 Common Shares were issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

To the knowledge of the directors and executive officers of the Company, as at October 18, 2017, no persons or companies beneficially owned, directly or indirectly, or exercised control over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company other than as follows:

<b>Name</b>	<b>Number of Common Shares Beneficially Owned</b>	<b>Percentage of Issued Share Capital</b>
CDS & Co. <sup>(1)</sup>	44,898,107	86.07%

(1) The Company is not aware of the beneficial holders of the shares so registered.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Information Circular, “informed person” means:

- (a) a director or executive officer of the Company;
- (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company, or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company if it has purchased, redeemed or otherwise acquired any of its own securities, for so long as it holds any of its securities.

No informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company’s last completed financial year or in any proposed transaction, which in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

Reference is made to the section entitled “Related Party Transactions” in the Company’s Management Discussion and Analysis for the year ended March 31, 2017 (the “**MD&A**”), which section is incorporated by reference herein, for particulars of certain related party transactions between the Company and certain of its directors and officers and their associates. The MD&A has been filed on SEDAR at [www.sedar.com](http://www.sedar.com). Upon request, the Company will promptly provide a copy of the MD&A free of charge to any security holder of the Company.

## STATEMENT OF EXECUTIVE COMPENSATION

Securities laws require that a "Statement of Executive Compensation" in accordance with Form 51-102F6V be included in this Information Circular. Form 51-102F6VV prescribes the disclosure requirements in respect of the compensation of executive officers and directors of reporting issuers. Form 51-102F6V provides that compensation disclosure must be provided for the Chief Executive Officer and the Chief Financial Officer of an issuer and the most highly compensated executive officers whose total compensation exceeds \$150,000 for the two most recently completed financial years. Based on those requirements, the executive officers of the Company for whom disclosure is required under Form 51-102F6V are Michael Heaven, the President and CEO and Chairman, Grant Smith, the CFO, Gordon Deans, the Chief Operating Officer and former President, CTO and CEO and Greg Ayres, the Former Chief Operating Officer..

For the purpose of this Statement of Executive Compensation:

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries (if any) for services provided or to be provided, directly or indirectly to the Company or any of its subsidiaries (if any);

“**NEO**” or “**named executive officer**” means:

- (a) each individual who served as chief executive officer (“**CEO**”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“**CFO**”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently

completed financial year whose total compensation was more than \$150,000 for that financial year, and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

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

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and position	Year	Salary, consulting fee, retainer or commission <sup>(1)(2)</sup> (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Michael Heaven</b> Chairman and President and CEO	2017	163,000 <sup>(3)</sup>	Nil <sup>(3)</sup>	Nil	Nil	146,500	309,500
	2016	66,000	Nil	Nil	Nil	Nil	66,000
<b>Gordon Deans</b> Chief Operating Officer and Former President, CTO & CEO	2017	129,000 <sup>(4)</sup>	Nil	Nil	Nil	85,153	214,153
	2016	140,000	Nil	Nil	Nil	Nil	140,000
<b>Grant T. Smith</b> CFO	2017	60,000	Nil	Nil	Nil	4,000	64,000
	2016	76,000	Nil	Nil	Nil	Nil	76,000
<b>Greg Ayres</b> Former Chief Operating Officer	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	224,651	Nil	Nil	Nil	Nil	224,651

(1) This figure includes the dollar value of cash and non-cash base salary each Named Executive Officer earned during the year ended March 31, 2017.

(2) Perquisites and other personal benefits have not been included as they do not reach the prescribed threshold of the lesser of \$50,000 or 10% of the total annual salary.

(3) Effective April 1, 2017 the Company entered into an executive employment agreement with Michael Heaven with respect to his employment as President and Chief Executive Officer of the Company. Pursuant to his agreement, Mr. Heaven receives a salary of \$195,000 per annum. His salary will increase to \$250,000 per annum upon the achievement by the Company of fiscal year sales of \$5,000,000 or greater and at least \$500,000 of positive operating cash flow as evidenced by the annual audited financial statements of the Company. In addition to a salary increase in consideration of achieving these objectives, Mr. Heaven is entitled to a bonus of up to 50% of his salary. Mr. Heaven's agreement is subject to a term of three years and is renewable thereafter by mutual agreement.

(4) Effective April 1, 2017, Gordon Deans receives a salary of \$165,000 per annum. In consideration of achieving certain objectives, he is also eligible for a bonus of up to 30% of his salary.

No director of the Company who is not an NEO has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of directors for their services in their capacity as directors, including any additional amounts payable for committee participation or special assignments;
- (b) any other arrangement, in addition to, or in lieu of, any standard arrangement, for the compensation of directors in their capacity as directors; or
- (c) any arrangement for the compensation of directors for services as consultants or expert.

### Stock Options and Other Compensation Securities

The following table sets out the compensation securities granted or issued to directors and NEOs by the Company or any subsidiary thereof in the year ended March 31, 2017 for services provided, or to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Michael Heaven</b> Chairman, President, CEO and Director	Options granted	300,000	10/12/2016	\$0.115	\$0.12	\$0.20	10/12/2021
	Options granted	500,000	03/31/2017	\$0.21	\$0.20	\$0.20	03/31/2022
	Shares issued for services	250,000	03/31/2017	\$0.21	\$0.21	\$0.20	N/A
<b>Gordon Deans</b> Chief Operating Officer and Former President, CTO & CEO	Options granted	150,000	10/12/2016	\$0.115	\$0.12	\$0.20	10/12/2021
	Options granted	350,000	03/31/2017	\$0.21	\$0.20	\$0.20	03/31/2022
	Shares issued for services	173,085	01/12/2017	\$0.129	\$0.20	\$0.20	N/A
<b>Grant T. Smith</b> CFO	Options granted	50,000	10/12/2016	\$0.115	\$0.12	\$0.20	10/12/2021
<b>Kevin Dodds</b> Director	Options granted	400,000	10/07/2016	\$0.105	\$0.11	\$0.20	10/07/2021
<b>David Toyoda</b> Director	Options granted	300,000	10/12/2016	\$0.115	\$0.12	\$0.20	10/12/2021
	Options granted	100,000	03/31/2017	\$0.21	\$0.20	\$0.20	03/31/2022
<b>John McNicol</b> Director	Options granted	300,000	11/23/2016	\$0.13	\$0.13	\$0.20	11/23/2021
	Options granted	100,000	03/31/2017	\$0.21	\$0.20	\$0.20	03/31/2022

### Exercise of Compensation Securities by Directors and NEOs

There were no stock options exercised by directors or NEOs during the year ended March 31, 2017.

### Stock Option Plans and Other Incentive Plans

The Company's current stock option plan (the "2016 Plan") provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase Shares for a maximum term of 10 years. The 2016 Plan is a "fixed"

stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed twenty (20%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time the Plan was last approved by shareholders. There are a maximum of 7,672,570 shares issuable under the 2016 Plan. As at the date hereof, there are 4,580,000 options outstanding.

The Board may specify a vesting schedule for all or any portion of an option at the time of grant of the option. Options granted to consultants conducting investor relations activities must vest over a period of not less than 12 months, with 25% of the options vesting on each of the dates that is three, six, nine and 12 months from the date of grant, or such longer vesting period as the Board may determine.

A copy of the 2016 Plan is available for review on the Company's profile at [www.sedar.com](http://www.sedar.com) and at the registered offices of the Company, at 700 – 595 Burrard Street, Vancouver, BC, V7X 1S8 during normal business hours up to and including the date of the Meeting.

A new "fixed" stock option plan will be up for approval by the shareholders at the Meeting allowing for the issuance of a maximum of 20% of the issued and outstanding shares as of the date of the Meeting.

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

Other than described above, the Company does not have any employment, consulting or management agreements or arrangements with any of the current NEOs or directors for the year ended March 31, 2017,

### **Oversight and Description of Director and NEO Compensation**

The Company has a compensation committee (the “**Compensation Committee**”) comprised of Kevin Dodds, David Toyoda and John McNicol (Chair), all of whom are independent.

The Company adopted a charter which outlines the policies and practices adopted to determine the compensation for the Company's directors and executive officers. The charter includes the following responsibilities, powers and operations of the Compensation Committee:

Board Compensation - Periodically review the compensation paid to non-employee directors and make recommendations to the board for any adjustments.

Chief Executive Officer Compensation – Assist the Board in establishing CEO annual goals and objectives.

Other Executive Officer Compensation – Oversee and evaluation of the performance of the Company's executive officers and approve the annual compensation, including salary and incentive compensation for the executive officers.

Other Officer Compensation – Review and approve the compensation structure for executives at the level of vice president and above, other than executive officers.

General Compensation Oversight – Monitor and evaluate matters relating to the compensation and benefits structure of the Company as it deems appropriate, including;

- Provide guidance to management on significant issues affecting compensation philosophy or policy,
- Provide input to management on whether compensation arrangements for Company executive provide any incentive for unnecessary and excessive risk taking,
- Review and approve policies regarding CEO and other executive officer compensation.

### Equity and Other Benefit Plan Oversight

- Administer the Company's equity-based and employee benefit plans, and perform the duties under those plans,

- Appoint and remove plan administrators for the Company's benefits plans for the Company's employees and perform other duties that the Board may have with respect to the Company's retirement plans.

The Company's executive compensation program comprises three elements: base salary, bonus incentives and equity participation. The compensation program is designed to pay for performance. Employees, including senior executives, are rewarded for the achievement of annual operating and financial goals, progress in executing the Company's long-term growth strategy and delivering strong total shareholder return performance.

The Company reviews industry compensation information and compares its level of overall compensation with those of comparable sized technology companies. Generally, the Company targets base management fees at levels approximating those holding similar positions in comparably sized companies in the industry and hopes to achieve competitive compensation levels through the fixed and variable components.

Compensation practices, including the mix of base management fees, short-term incentives and long-term incentives, are regularly assessed to ensure they are competitive, take account of the external market trends and support the Company's long-term growth strategies.

#### *Base Compensation*

In the Board's view, paying base salaries or management fees which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Base compensation is compensation for discharging job responsibilities and reflects the level of skills and capabilities demonstrated by the executive. Annual adjustments take into account the market value of the role and the executive's demonstration of capability during the year.

In addition to base salaries to executives, effective April 1, 2017, the Company began paying its independent directors \$10,000 annually.

#### *Bonus Incentive Compensation*

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the executive meeting those strategic objectives and milestones, the executive's individual performance and sufficient cash resources being available for the granting of bonuses.

#### *Equity Participation*

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the 2016 Plan. Stock options are granted to executives and employees taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. The amounts and terms of options granted are determined by the Board.

#### *Option-Based Awards*

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the long-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire and increase proprietary interest in the Company. The Company awards stock options based upon the recommendation of the Compensation Committee. Previous grants of incentive stock options are taken into account when considering new grants.

## Pension Benefits

The Company does not have a pension benefit arrangement under which the Company have made payments to the directors and or Named Executive Officers of the Company during its fiscal year ended March 31, 2017 or intends to make payments to the Company's directors or Named Executive Officers upon their retirement (other than the payments set out above and those made, if any, pursuant to the Canada Pension Plan or any government plan similar to it).

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as of the Company's most recently completed fiscal year-end of with respect to compensation plans under which equity securities of the Company are authorized for issuance:

Plan Category	Number of securities to be issued on exercise of outstanding options as of March 31, 2017	Weighted-average exercise price of outstanding options as of March 31, 2017	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	4,830,000	\$0.20	386,654
Equity compensation plans not approved by security holders	-	-	-

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Company's directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or its subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

## CORPORATE GOVERNANCE

### General

"Corporate Governance" refers to the process and structure used to direct and manage the business and affairs of a company. The objective is to enhance shareholder value, including ensuring the financial viability of the business. Corporate governance processes and structure define the division of power among shareholders, the board of directors and management, and establish ways to ensure accountability. They also take into account how the direction and management of the business will affect other stakeholders such as employees, customers, suppliers and communities.

The Canadian Securities Administrators have adopted two National Instruments, 58-201 *Corporate Governance Guidelines* ("NI-58-201") and 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101").

NI58-201 sets forth a set of guidelines or "best practices" for reporting issuers to consider when evaluating their own corporate governance practices. Recognizing that not all of the guidelines set for in NI 58-210 will be appropriate for all companies, full implementation of the guidelines is not mandated by either NI 58-201 or the TSX Venture Exchange (the "**Exchange**"). NI 58-101 mandates the disclosure of the corporate governance practices actually implemented by a reporting company, in certain prescribed disclosure documents.

As the business of the Company is straightforward, the Company is at an early stage of development and its Board is relatively small, the Company's Corporate Governance practices are at an early stage of evolution. The following describes the Company's approach to corporate governance, in compliance with NI 58-101.

## 1. Board of Directors

The Company's Board consists of a total of four directors, Michael Heaven, David Toyoda, Kevin Dodds and John McNicol. Michael Heavens is not independent in that he is the President and CEO. The other directors are independent. Accordingly, the majority of the directors are independent.

## 2. Directorships

The following directors are presently directors of the other reporting issuers listed below:

Director	Name of Reporting Issuer	Name of Exchange	Position
David Toyoda	Zecotek Photonics Inc.	TSX-V	Director
	Paloma Resources Inc.	TSX-V (NEX)	Director
	Aim Explorations Ltd.	TSX-V (NEX)	Director
	Lite Access Technologies Inc.	CSE	Director

## 3. Orientation and Continuing Education

The Company does not have a formal process of orientation for new Board members. Each new director brings a different skill set and professional background, and with this information, the Board is able to determine what orientation to the nature and operations of the Company's business will be necessary and relevant to each new director.

The Company does not have a formal process of continuing education for its directors. Generally the Company expects that existing and new Board members will have a familiarity with the solar cell industry. Professional advisors may be invited to attend Board meetings, as needed. The Company also relies on the established qualifications and expertise of its Board members.

## 4. Ethical Business Conduct

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

## 5. Nomination of Directors

The Board of Directors considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders. The Board takes into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts through formal and informal discussions among Board members and the CEO. New candidates are evaluated by the entire board and if (s)he meets Board approval, an invitation to that candidate to join the Board will put forward.

## 6. Compensation

The Company's Board has a Compensation Committee consisting of John McNicol (Chair), David Toyoda and Kevin Dodds. The Compensation Committee sets cash compensation for the Company's CEO, COO and CFO and reviews the CEO's recommendations respecting compensation of the other officers of the Company. Stock options are set by the Compensation Committee and then granted by the full Board.

## 7. Other Board Committees

In addition to its Audit Committee and Compensation Committee, the Company has a Corporate Governance Committee, the members of which are David Toyoda (Chair), Kevin Dodds and John McNicol.

As the Company grows the Board will likely find it appropriate to constitute additional formal standing committees, such as a Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

## 8. Assessments

The Board has no specific procedures for regularly assessing the effectiveness and contribution of the Board, its committees or individual directors. As the business of the Company is relatively straightforward and its Board relatively small, it is expected that a significant lack of performance on the part of a committee or individual director would become readily apparent, and could be dealt with on a case-by-case basis.

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

### AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 of the Canadian Securities Administrators ("NI-52-110") requires the Company, 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, as set forth in the following.

The Company's Audit Committee is governed by an Audit Committee Charter. A copy of the Audit Committee Charter is attached as Schedule "A" to this Information Circular.

The Company's Audit Committee is comprised of three directors, Kevin Dodds (Chair), John McNicol and Michael Heaven. As defined in NI 52-110, two of the members with the exception of Michael Heaven are "independent". Also as defined in NI 52-110, all of the Audit Committee members are "financially literate". The experience of the Audit Committee members is set forth in the following.

#### *Composition of the Audit Committee*

Following the election of the directors pursuant to this Information Circular, it is intended that the following will be the members of the Audit Committee:

Kevin Dodds, Chairman	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
John McNicol	Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>
Michael Heaven	Not Independent <sup>(1)</sup>	Financially literate <sup>(2)</sup>

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statement that present a breath of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

#### *Relevant Education and Experience*

The educational background or experience of the audit committee members has enabled each to perform his responsibilities as an audit committee member and has provided the member with an understanding of the accounting principles we use to prepare our financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves as well as experience

preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by our financial statements, or experience actively supervising one or more individuals engaged in such activities and an understanding of internal controls and procedures for our financial statements.

See “Election of Directors” in this Information Circular for details of the relevant education and experience of the audit committee members, Mssrs. Dodds, McNicol and Heaven

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

### ***Audit Committee Oversight***

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

### ***Reliance on Certain Exemptions***

At no time since the beginning of the Company’s most recently completed financial year has the Company relied on the any exemptions under Regulation 52-110.

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

The Company has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of non-audit services as required.

### ***Audit and Tax Fees***

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

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
March 31, 2017	\$33,150	Nil	Nil	Nil
March 31, 2016	\$33,150	Nil	Nil	Nil

### ***All Other External Auditor Service Fees***

The Company’s external auditor did not provide any additional services during either of its financial years ended March 31, 2017 or 2016, and accordingly no other fees were charged.

### ***Exemption***

The Company is relying upon the exemption provided by Section 6.1 of NI 52-110 which exempts a “venture issuer” from the requirements of Parts 3 (Composition of the Audit Committee) to have 100% of the members of its audit committee independent of and Part 5 (Reporting Obligations) as would otherwise be required by NI 52-110.

## BUSINESS TO BE TRANSACTED AT THE MEETING

### 1. Receipt of Financial Statements

The financial statements of the Company for the financial year ended March 31, 2017 and accompanying auditor's report will be presented at the Meeting.

### 2. Appointment of Auditors

Shareholders will be asked to vote for the re-appointment of Davidson & Company, LLP, Chartered Accountants (“Davidson”), as the auditor of the Company to hold office until the next annual meeting of the shareholders of the Company at remuneration to be fixed by the directors.

### 3. Set Number of Directors

The Company is seeking shareholder approval of an ordinary resolution setting the number of directors of the Company at four for the ensuing year. The shareholders will be requested at the Meeting to pass the following ordinary resolution:

“IT IS HEREBY RESOLVED AS AN ORDINARY RESOLUTION THAT the number of directors be set at four”.

### 4. Election of Directors

The Company's Board of Directors proposes to nominate the persons named in the table below for election as directors of the Company. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Company or if he becomes disqualified to act as a director.

Each nominee is currently a member of the Board and has held office since the dates indicated opposite his name. All nominees have consented to join the Board.

Nominee Position(s) with Company and Province and Country of Residence <sup>(1)</sup>	Principal Occupation or Employment for the Last Five Years <sup>(1)</sup>	Director of the Company Since	Common Shares Held as of October 18, 2017 <sup>(1)</sup>
<b>MICHAEL HEAVEN</b> <sup>(2)</sup> Chairman and President and CEO <i>British Columbia, Canada</i>	President and CEO – Aurora Solar Technologies Inc. (November 2014 to Present); Chief Operating Officer – Whitewater West Industries Ltd. (November 2009 to May, 2016)	November 3, 2011	994,981
<b>DAVID TOYODA</b> <sup>(3)(4)</sup> Director <i>British Columbia, Canada</i>	Associate Counsel - Boughton Law Corporation (January 2006 to Present)	January 20, 2010	Nil
<b>KEVIN DODDS</b> <sup>(2)(3)(4)</sup> Director <i>Canada</i>	Chief Financial Officer of Noram Engineering and Constructors Ltd.	November 15, 2016	700,000
<b>JOHN MCNICOL</b> <sup>(2)(3)(4)</sup> Director <i>Canada</i>	Executive Advisor (2016 to present); President, Co-CEO and Director – Enwave Corporation (February 2007 to June 2014)	November 23, 2016	216,500

- (1) The information as to principal occupation, business or employment and number of shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees or is as reported on [www.sedi.ca](http://www.sedi.ca).
- (2) Member of Audit Committee.
- (3) Member of Compensation Committee.
- (4) Member of Corporate Governance Committee.

**Mr. Michael Heaven** is the President and CEO, as well as the Chairman of Aurora's Advisory Board. He has over 20 years' experience in the application of measurement and control technology to a variety of industries. Mr. Heaven is a Registered Professional Engineer in the Provinces of British Columbia and Ontario, Canada and holds a Bachelor's Degree in Electrical Engineering from McMaster University in Hamilton, Ontario, Canada. He also holds an MBA from Queen's University in Kingston. Mr. Heaven was Chief Operating Officer for Whitewater West Industries, Ltd., a private company headquartered in Richmond, BC specializing in Waterpark design, water slides, wave systems, surf systems and interactive wet and dry play and gaming systems. Mr. Heaven has held senior positions with several technology companies, most recently as General Manager for Papertech, a company delivering machine vision systems for process monitoring and optimization. Prior to Papertech, he was Chief Operating Officer of Norsat International (NSATF – NASDAQ, NII – TSX), a satellite communication equipment company. Before Norsat, Mr. Heaven spent 13 years with Honeywell in various roles, including Control System Director, Marketing Director, Vice President of R&D in Cupertino, CA, and Vice President and GM of Honeywell's Vancouver Operations. Prior to Honeywell, Mr. Heaven spent 5 years in the steel industry, responsible for Dofasco's Hot Strip Flatness and Profile Control program.

**Mr. David Toyoda** graduated from the University of British Columbia with a Bachelor of Law degree and a Bachelor of Commerce degree with honours. He was called to the Bar in 1993. Mr. Toyoda practices in the corporate and securities law area, focusing on companies that list on Canadian stock exchanges. Mr. Toyoda teaches in the areas of corporate governance and public financing at Simon Fraser University, Faculty of Business Administration and the TSX Venture Exchange. He has also coordinated courses for the Continuing Legal Education Society of British Columbia. He is the Past Chair of the Securities Law Subsection of the Canadian Bar Association (B.C. Branch) and was a member of the Securities Law Advisory Committee for the B.C. Securities Commission.

**Mr. Kevin Dodds** is a Chartered Professional Accountant who brings 25 years of experience in finance and operations within multifaceted international businesses across diverse industries. Mr. Dodds is currently the Chief Financial Officer of Noram Engineering and Constructors, Ltd. and is a director and officer of its operating subsidiaries. He was previously with Export Development Canada, MacDonald Dettwiler and Associates and Chemetics International.

**Mr. John McNicol** is currently an executive advisor to a number of early stage start-up companies. He was formerly the President and Co-CEO of Enwave Corporation (TSX.V: ENW, FSE: E4U.F) where he helped build the company's strategy, royalty revenue streams, licensing and collaboration agreements with leading global players. Before Enwave, Mr. McNicol held positions as President, COO and Director of Concert Industries Ltd. and Merfin International Inc, two leading airlaid non-wovens manufacturer's, as well as HSBC Securities, Pemberton Securities and LRJ Capital. Mr McNicol has considerable experience in equity and investment banking.

### **Corporate Cease Trade Orders or Bankruptcies**

No proposed director of the Company is or has been, within the past 10 years, a director, chief executive officer or chief financial officer of any company that, while the person was acting in that capacity:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer, other than David Toyoda who was a former director of CIC Mining Resources Limited when it was subject to a management cease trade order issued by the British Columbia Securities Commission on June 2, 2008 for failure to file financial statements within the required time periods. This order was revoked in September 2008; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Company is or has been, within the past 10 years, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, become 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 Company has, within the past 10 years, become 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 the assets of the proposed director.

## 5. Approval of New 20% Fixed Stock Option Plan

Management seeks shareholder approval to adopt a new 2017 stock option plan (the “**2017 Plan**”) which will be a fixed number stock option plan reserving up to 20% of the Company’s issued and outstanding share capital as at the date of the Meeting in accordance with and subject to the rules and policies of the Exchange. Under the 2017 Plan, 10,433,308 common shares may be reserved under incentive stock options to be granted.

### Regulatory Requirements

The Company’s common shares trade on the Exchange, which requires that listed companies obtain the approval of their shareholders for stock option plans, where that stock option plan, together with all of the Company’s other previously established stock option plans or grants, could result, at any time, in the number of shares reserved for issuance pursuant to stock options exceeding 20% of the Company’s issued and outstanding shares.

Disinterested shareholder approval of stock options must be obtained where:

- (a) a stock option plan, together with all of the Company’s other previously established and outstanding stock option plans or grants could result at any time in:
  - (i) the number of shares reserved for issuance under stock options granted to Insiders exceeding 20% of the issued shares;
  - (ii) the grant to Insiders, within a 12 month period, of a number of options exceeding 10% of the issued shares; or
  - (iii) the issuance to any one Optionee, within a 12 month period, of a number of shares exceeding 5% of the issued shares; or
- (b) the Company is decreasing the exercise price of stock options previously granted to Insiders.

If disinterested shareholder approval is required, the stock option agreement or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares owned by:

- (a) Insiders to whom options may be issued under the stock option plan; and
- (b) associates of persons referred to in item (i) above.

The term "Insider" is defined in the *Securities Act* (British Columbia) and generally includes directors, senior officers and holders of greater than 10% of the voting securities of the Company.

The Company’s Insiders will participate in the 2017 Plan. While it is not expected that Insiders, as a group, will necessarily acquire the majority of shares allocated under the 2017 Plan, it is possible that this could happen.

### **Disinterested Shareholder Approval**

To meet all of the requirements of the Exchange, the Company must obtain the approval of its disinterested shareholders for the 2017 Plan. See “Regulatory Requirements”.

Accordingly, disinterested shareholders will be asked to consider and, if thought fit, pass the following ordinary resolution:

“**IT IS HEREBY RESOLVED**, subject to Exchange approval, that:

1. The Company adopt the 2017 Plan, reserving for issuance under the 2017 Plan common shares of the Company;
2. The Company be and is hereby authorized to grant stock options under the 2017 Plan in accordance with its terms;
3. The Board of Directors be authorized on behalf of the Company to make any further amendments to the 2017 Plan as may be required by regulatory authorities, without further approval of the shareholders of the Company, in order to ensure adoption of the 2017 Plan
4. The Company file the 2017 Plan with the Exchange for acceptance; and
5. Any one director or officer of the Company is authorized and directed to do all such acts and things and to execute and deliver all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution.”

For the purposes of the vote, all of the Company’s directors and its officers, and their associates may not vote on the matter.

Terms of the 2017 Plan. A full copy of the 2017 Plan will be available at the Meeting for review by shareholders. Shareholders may also obtain copies of the 2017 Plan from the Company prior to the meeting on written request. The following is a summary of the material terms of the 2017 Plan:

Number of Shares Reserved. The maximum number of common shares that may be reserved for issuance under the 2017 Plan will be 10,433,308 common shares.

Administration. The 2017 Plan is to be administered by the Board of the Company or by a committee to which such authority is delegated by the Board from time to time.

Option Holders. The 2017 Plan provides that stock options may be issued to employees, officers, directors and consultants of the Company or of any of its affiliates or subsidiaries, to employees of consultant companies providing management or administrative services to the Company and to consultant companies themselves.

Board Discretion. The 2017 Plan provides that, generally, the number of shares subject to each stock option, the exercise price, the expiry time, the extent to which such stock option is exercisable and other terms and conditions relating to such stock options shall be determined by the Board of the Company or any committee to which such authority is delegated by the Board from time to time.

Maximum Term of Options. Stock options granted under the 2017 Plan will be for a term not exceeding ten years from the date of grant.

Maximum Options per Person. The number of shares reserved for issuance to any one option holder pursuant to stock options granted under the 2017 Plan during any twelve month period may not exceed 5% (or, in the case of a consultant, 2%) of the issued and outstanding shares of the Company at the time of grant. The number of shares reserved for issuance to consultants and employees who are engaged in investor relations activities is limited to an aggregate of 2% of the issued and outstanding shares of the Company at the time of grant.

No Assignment. The stock options may not be assigned or transferred.

Termination Prior to Expiry. Generally, stock options must expire and terminate on a date stipulated by the Board at the time of grant and, in any event, must terminate within a reasonable time following the date on which the option holder ceases to be an employee, officer, director or consultant. If an option holder dies, the stock options of the deceased option holder will be exercisable by his or her legal representatives for a period not exceeding 12 months or the balance of the term of the stock options, whichever is shorter.

Vesting. Subject to the discretion of the Board, stock options granted under the terms of the 2017 Plan will fully vest on the date of grant of such stock options. In accordance with the policies of the Exchange, stock options issued to Consultants performing investor relations services must vest in stages over a minimum of twelve months with no more than ¼ of the stock options vesting in any 3 month period.

Hold Period. Stock options granted under the terms of the 2017 Plan where the exercise price is based on the discounted market price and all shares issued on the exercise of such stock options will be subject to a four month Exchange hold period from the date the stock options are granted.

Full Payment for Shares. The Company will not issue shares pursuant to stock options granted under the 2017 Plan unless and until the shares have been fully paid for.

Reduction of Exercise Price. The exercise price of stock options granted to Insiders may not be decreased without disinterested shareholder approval.

Exchange's Rules and Policies Apply. In the event of an inconsistency between the terms of the 2017 Plan and the rules and policies of the Exchange and the securities commissions, the rules and policies of the Exchange and securities commissions will govern.

Termination of Plan. The 2017 Plan will terminate only by a resolution of the Board or by the Company's shareholders. Any options outstanding when the 2017 Plan is terminated will remain in effect until they are exercised or they expire.

## **OTHER BUSINESS**

Save for the matters referred to herein, management is not aware of any other matters intended to be brought before the Meeting. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available concerning the Company and its operations on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information concerning the Company is provided in its comparative financial statements and management's discussion and analysis for the year ended March 31, 2017. Copies of this information are available either on SEDAR or upon request to the Secretary of the Company.

## **APPROVAL OF THE MANAGEMENT PROXY CIRCULAR**

The contents and mailing of this Management Information Circular have been approved by the Board of Directors of the Company.

Dated at Vancouver, British Columbia, as of the 18<sup>th</sup> day of October, 2017.

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

(signed) "Michael Heaven"  
**MICHAEL HEAVEN**, President and CEO  
 and Chairman of the Board

## Schedule “A”

### AUDIT COMMITTEE CHARTER

#### Purpose of the Committee

The purpose of the Audit Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of the Company is to provide an open avenue of communication between management, the Company’s independent auditors and the Board and to assist the Board in its oversight of:

- (a) the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- (b) the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- (c) the independence and performance of the Company’s independent auditors.

The Committee shall also perform any other activities consistent with this Charter, the Company’s Bylaws and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board at its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board (“**IASB**”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditors’ responsibility is to audit the Company’s financial statements and provide their opinion, based on their audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditors to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditors. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditors. The independent auditors shall report directly to the Committee.

#### Authority and Responsibilities

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company’s Chief Financial Officer and any other key financial executives involved in the financial reporting process.

3. Review with management and the independent auditors the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting process.
4. Review with management and the independent auditors the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditors' judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditors without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditors.
10. Monitor the independence of the independent auditors by reviewing all relationships between the independent auditors and the Company and all non-audit work performed for the Company by the independent auditors.
11. Establish and review the Company's procedures for the:
  - (a) receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - (b) confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.

Perform such other functions and exercise such other powers as are prescribed from time to time for the Audit Committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the Articles of the Company.