



**VATIC VENTURES CORP.
1500 - 1040 West Georgia Street
Vancouver, British Columbia V6E 4H1**

**NOTICE OF ANNUAL GENERAL AND SPECIAL
MEETING OF SHAREHOLDERS
TO BE HELD ON OCTOBER 5, 2017**

AND

INFORMATION CIRCULAR

August 31, 2017

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.



VATIC VENTURES CORP.
1500 – 1040 West Georgia Street
Vancouver, British Columbia V6E 4H1
Telephone: (778) 373-6972
Facsimile: (604) 689-1288

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING

TO THE SHAREHOLDERS:

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “Meeting”) of Vatic Ventures Corp. (the “Company”) will be held at Suite 1500, 1040 West Georgia Street, Vancouver, British Columbia, on Thursday October 5, 2017, at the hour of 10:00 am (Vancouver time) for the following purposes:

- (1) to receive the report of the Directors;
- (2) to receive the audited financial statements of the Company for the financial year ended February 28, 2017, and the accompanying report of the auditors;
- (3) to set the number of directors of the Company for the ensuing year at six (6) persons;
- (4) to elect Nasim Tyab, Gerald D. Wright, T. Barry Coughlan, Anthony Clements, Matthew Mikulic and Thomas R. Wilson as directors of the Company to hold office until the next annual general meeting of the Company, or until such time as their successors are duly elected or appointed in accordance with the Company’s constating documents;
- (5) to appoint Davidson & Company LLP, Chartered Accountants, as the auditors of the Company for the ensuing year and to authorize the directors to fix the remuneration of the auditors;
- (6) to consider, and, if deemed appropriate, to pass, an ordinary resolution approving the Company’s Stock Option Plan, as described in the accompanying Information Circular;
- (7) to transact such further or other business as may properly come before the Meeting and any adjournment or postponement thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The Company’s board of directors have fixed August 31, 2017 as the record date for the determination of shareholders entitled to notice of and to vote at the Meeting and at any adjournment or postponement

thereof. Each registered shareholder at the close of business on that date is entitled to such notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of the Company and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company's transfer agent, Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of the Meeting or any adjournment or postponement thereof.

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

DATED at Vancouver, British Columbia, this 31st day of August, 2017.

By Order of the Board of Directors of

VATIC VENTURES CORP.

/s/ Gerald D. Wright
Gerald D. Wright
Chief Executive Officer and Director



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INFORMATION CIRCULAR
August 31, 2017

INTRODUCTION

This Information Circular accompanies the Notice of Annual General and Special Meeting (the “Notice”) and is furnished to shareholders holding common shares in the capital of Vatic Ventures Corp. (the “Company”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general and special meeting (the “Meeting”) of the shareholders to be held at 10:00 am on Thursday October 5, 2017 at Suite 1500, 1040 West Georgia Street, Vancouver, British Columbia and any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is August 31, 2017. Unless otherwise stated, all amounts herein are in Canadian dollars.

Financial Year End

Unless otherwise indicated, all references to the most recently completed financial year end of the Company in this Information Circular refers to February 28, 2017.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation granted to the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this Information Circular and related proxy materials to their client, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies by management of the Company. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxy

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share that such shareholder holds as of the record date of August 31, 2017 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the “Designated Persons”) in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTIONS TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company’s registrar and transfer agent, Computershare Trust Company of Canada (the “Transfer Agent”) at their offices located at 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, by mail or fax, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder’s attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Revocation of Proxies

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE COMPANY'S BOARD OF DIRECTORS FOR DIRECTORS, THE APPROVAL OF THE STOCK OPTION PLAN, AND THE APPOINTMENT OF THE AUDITOR.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that

only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon 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 the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its 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. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (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. ("Broadridge") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of common shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the common shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote common shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its common shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend at 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 instrument of 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 (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his or her common shares.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As of the record date, determined by the Company's board of directors (the "Board") to be the close of business on August 31, 2017, a total of 35,071,307 common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

Only registered shareholders as of the record date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

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

NUMBER OF DIRECTORS

The Articles of the Company provide for a board of directors of no fewer than three directors and no greater than a number as fixed or changed from time to time by majority approval of the shareholders.

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at six. The number of directors will be approved if the affirmative vote of the majority of common shares present or represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at six.

Management recommends the approval of the resolution to set the number of directors of the Company at six (6).

ELECTION OF DIRECTORS

At present, the directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting, or until their successors are duly elected or appointed in accordance with the Company's Articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed Form of Proxy will be voted for the nominees listed in the Form of Proxy, all of whom are presently members of the Board.

Management of the Company proposes to nominate the persons named in the table below for election by the shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, is as follows:

| Name Province Country of Residence and Position(s) with the Company | Principal Occupation Business or Employment for Last Five Years | Periods during which Nominee has Served as a Director | Number of Common Shares Owned⁽¹⁾ |
|--|---|--|--|
| Nasim Tyab ⁽²⁾ ⁽³⁾ British Columbia, Canada <i>President and Director</i> | Co-founder of Karma Athletics Ltd. (2004 to present) Director of Oracle Energy Corp. (March 2000 to present) | November 30, 2007 to present | 707,168 direct 870,000 indirect |

| Name Province Country of Residence and Position(s) with the Company | Principal Occupation Business or Employment for Last Five Years | Periods during which Nominee has Served as a Director | Number of Common Shares Owned ⁽¹⁾ |
|--|---|---|---|
| Gerald D. Wright ⁽⁴⁾ County Down, Northern Ireland <i>Chief Executive Officer and Director</i> | Chief Executive Officer, President and director of Amanta Resources Ltd. (August 2002 to present) President of Red Branch Investments Ltd. (November 2009 to present) | January 12, 2017 to present | 2,000,000 direct 900,000 indirect |
| T. Barry Coughlan ⁽²⁾ British Columbia, Canada <i>Director</i> | Director of Amarc Resources Ltd. (February 2009 to present) Director of Northcliff Resources Ltd. (April 2011 to present) Director of Rathdowney Resources Ltd. (March 2011 to present) Chief Executive Officer, President and director of Quadro Resources Ltd. (June 1986 to present) | January 19, 2011 to present | 133,333 direct |
| Matthew Mikulic ⁽²⁾ British Columbia, Canada <i>Director</i> | Mr. Mikulic is Chief winemaker at Three Sisters winery. | January 19, 2011 to present | 266,666 direct |
| Anthony Clements London, England <i>Director</i> | Mr. Clements has acted as an advisor to numerous natural resource companies outside Canada. | June 5, 2017 to present | Nil |
| Thomas R. Wilson ⁽⁵⁾ British Columbia, Canada <i>Chief Financial Officer</i> | Chief Financial Officer of Quadro Resources Ltd. (January 2006 to present) Comptroller of Canwel Fibre (December 2016 to August 2017) Chief Financial Officer of Mundoro Capital Inc. (February 2013 to May 2017) Chief Financial Officer of Paragon Minerals Corp. (June 2008 to September 2012) | | 321,333 direct |

(1) Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, as at August 31, 2017, based upon information furnished to the Company by the individual directors.

- (2) Member of the Audit Committee.
- (3) Nasim Tyab has been the President of the Company since January 19, 2011 and was the Chief Executive Officer of the Company until January 12, 2017.
- (4) Gerald D. Wright was appointed Chief Executive Officer of the Company on January 12, 2017.
- (5) Thomas R. Wilson has been the Chief Financial Officer of the Company since January 19, 2011.

Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

Cease Trade Orders

Except as disclosed below, to the best of management's knowledge, no proposed director of the Company is, or within the ten (10) years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (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; 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.

On July 10, 2014, Amanta Resources Ltd. ("AMH"), a company for which Gerald D. Wright is the Chief Executive Officer and a director, announced that, further to news releases dated June 26, 2014 and June 27, 2014, it was not granted a voluntary management cease trade order, and was issued a cease trade order. Subsequent to this, on February 4, 2015, Amanta Resources Ltd. announced that effective the opening on February 4, 2015, the Company's listing transferred to the NEX and the trading symbol for the Company changed from "AMH" to "AMH.H". As of the record date of this Information Circular, Amanta Resources Ltd. remains cease traded.

Bankruptcies

Except as disclosed below, no proposed director of the Company is, or within ten (10) years before the date of this Information Circular, has been a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets or made a proposal under any legislation relating to bankruptcies or insolvency.

In September, 2012, Great Basin Gold Ltd. ("GBG"), a company for which T. T. Barry Coughlan was a director, filed for creditor protection under the Companies Creditors Arrangement Act ("CCAA") in Canada, as well, GBG's principal South Africa subsidiary Southgold Exploration (Pty) Ltd. ("Southgold"), filed for protection under the South African Companies Act business rescue procedures.

The two insolvency proceedings were primarily caused by production ramp-up shortfalls at GBG's newly opened Burnstone Mine due to unforeseen ground faulting and water control problems, combined with gold production shortfalls at GBG's Nevada Hollister mine. These production shortfalls caused a cash-flow deficiency which caused GBG and Southgold to default under certain term loan agreements with an aggregate value of approximately \$200 million. The default of these term loan agreements in turn caused GBG to default under the terms of a class of listed debentures with an aggregate value of approximately \$126 million in principal. The outcome of the insolvency proceedings insofar as the potential for financial recovery by creditors and shareholders of GBG is not yet ascertainable.

To the best of management's knowledge, no proposed director of the Company has, within ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

STATEMENT OF EXECUTIVE COMPENSATION

General

For the purpose of this Information Circular:

"CEO" of the Company means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"CFO" of the Company means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year; and

"Named Executive Officers" or "NEO" means:

- (a) the Company's CEO;
- (b) the Company's President;
- (c) the Company's CFO;
- (d) each of the Company'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 and whose total compensation was, individually, more than \$150,000 as determined in accordance with applicable securities laws; and
- (e) any individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

Compensation Discussion and Analysis

The overall objective of the Company's compensation strategy is to offer medium-term and long-term compensation components to ensure that the Company has in place programs to attract, retain and develop management of the highest calibre and has in place a process to provide for the orderly succession of management, including receipt on an annual basis of any recommendations of the chief executive officer, if any, in this regard. The Company currently has medium-term and long-term

compensation components in place. The Company intends to further develop these compensation components. The objectives of the Company's compensation policies and procedures are to align the interests of the Company's employees with the interests of the Company's shareholders. Therefore, a significant portion of the total compensation is based upon overall corporate performance. The Company relies on the Board discussion without a formal agenda for objectives, criteria and analysis when determining executive compensation. There are no formal performance goals or similar conditions that must be satisfied in connection with the payment of executive compensation.

The Company does not have in place a Compensation and Nominating Committee. All tasks related to developing and monitoring the Company's approach to the compensation of officers of the Company and to developing and monitoring the Company's approach to the nomination of directors to the Board are performed by the members of the Board. The compensation of the NEOs and the Company's employees are reviewed, recommended and approved by the Board.

Subsequent to the year ended, the Company directly, or indirectly through companies managed by NEOs, pays management fees to NEOs. The Company also chooses to grant stock options to NEOs and directors to satisfy the long-term compensation component. The Board may consider, on an annual basis, an award of bonuses to key executives and senior management. The amount and award of such bonuses is discretionary, depending on, among other factors, the financial performance of the Company and the position of a participant. The Board considers that the payment of such discretionary annual cash bonuses satisfies the medium term compensation component. In the future, the Board may also consider the grant of options to purchase common shares of the Company with longer future vesting dates to satisfy the long term compensation component.

The Company has not retained a compensation consultant or advisor to assist the Board in determining compensation for any of the Company's directors or officers. Given the Company's current stage of development, the Company has not considered the implications of the risks associated with the Company's compensation practices. The Company has also not adopted any policies with respect to whether NEOs and directors are permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Risk Management Disclosure

The Board has reviewed the elements of compensation of the Company to identify any risks arising from the Company's compensation policies and practices that could reasonably be expected to have a material adverse effect on the Company as well as the practices used to mitigate any such risks. The Board concluded that the compensation program and policies of the Company did not encourage its executives to take inappropriate or excessive risks. This assessment was based on a number of considerations, including, without limitation, the following: (i) the Company's compensation policies and practices are generally uniform throughout the organization; (ii) in exercising its discretion under its compensation policies the Board of reviews individual and corporate performance taking into account the long-term interests of the Company; and (iii) the results of annual assessments of executives' goals, objectives and performance are reviewed and considered in awarding compensation.

Restrictions on Purchase of Financial Instruments

Although the Company has not adopted a formal policy forbidding an NEO or director from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities

granted as compensation or held, directly or indirectly, by the NEO or director, the Company is not aware of any NEO or director having entered into this type of transaction.

Option-Based Awards

Pursuant to Policy 2.4, the Company is permitted to grant incentive stock options to acquire common shares of the Company to its directors, officers or consultants. The Company has adopted a 10% rolling stock option plan (the “Plan”) in order to provide effective incentives to directors, officers, senior management personnel, employees and key consultants of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Company’s shareholders. The size of stock option grants to NEOs is dependent on each officer’s level of responsibility, authority and importance to the Company and the degree to which such officer’s long-term contribution to the Company will be key to its long-term success.

There was no re-pricing of stock options under the Plan or otherwise during the Company’s financial year ended February 28, 2017.

Compensation Governance

The Board has not adopted any specific policies or practices to determine the compensation for the Company’s directors and officers, other than as disclosed above.

SUMMARY COMPENSATION TABLE

Summary Compensation Table

Particulars of compensation paid to each NEO in the three most recently completed financial years are set out in the summary compensation table below.

| Name and principal position | Year | Salary (\$) | Share-based Awards ⁽²⁾ (\$) | Option-based Awards ⁽³⁾ (\$) | Non-equity Incentive Plan Compensation ⁽¹⁾ (\$) | | Pension Value (\$) | All Other Compensation (\$) | Total Compensation (\$) |
|---|------|-------------|--|---|--|---------------------------|--------------------|-----------------------------|-------------------------|
| | | | | | Annual Incentive Plans | Long-term Incentive Plans | | | |
| Nasim Tyab ⁽⁴⁾ President and Director | 2017 | Nil | Nil | Nil | Nil | Nil | Nil | 98,500 | 98,500 |
| | 2016 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| | 2015 | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |

| | | | | | | | | | |
|---|------|-----|-----|-----|-----|-----|-----|--------|--------|
| Gerald D. Wright ⁽⁵⁾ Chief Executive Officer and Director | 2017 | Nil | Nil |
| Thomas R. Wilson ⁽⁶⁾ Chief Financial Officer | 2017 | Nil | Nil | Nil | Nil | Nil | Nil | 12,000 | 12,000 |
| | 2016 | Nil | Nil |
| | 2015 | Nil | Nil |

- (1) “Non-equity Incentive Plan Compensation” includes all compensation under an incentive plan or portion of an incentive plan that is not an equity incentive plan.
- (2) “Share-based Awards” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.
- (3) “Option-based Awards” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features. The value of these options in 2017 is estimated using the Black-Scholes option pricing model with the following assumptions: share price of \$3.20 and expected weighted average contractual life of 0.36 years.
- (4) Nasim Tyab has been the President of the Company since January 19, 2011 and a director of the Company since November 30, 2007. He was the Chief Executive Officer of the Company until January 12, 2017.
- (5) Gerald D. Wright has been the Chief Executive Officer and a director of the Company since January 12, 2017.
- (6) Thomas R. Wilson has been the Chief Financial Officer of the Company since January 19, 2011.

Narrative discussion

During the year ended February 28, 2017, the Company paid consulting fees to Nasim Tyab, the President of the Company, in the amount of \$98,500 and to Thomas R. Wilson, the Chief Financial Officer of the Company, in the amount of \$12,000. As of February 28, 2015, the CEO and CFO management contracts were held in abeyance and accrued. As of February 28, 2017, these management contracts had not been revived. Other than as set forth in the foregoing, no NEO of the Company has received, during the most recently completed financial year, compensation pursuant to:

- (a) any standard arrangement for the compensation of NEOs for their services in their capacity as NEOs, 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 NEOs in their capacity as NEOs; or

- (c) any arrangement for the compensation of NEOs for services as consultants or expert.

Incentive Plan Awards

An “incentive plan” is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An “incentive plan award” means compensation awarded, earned, paid, or payable under an incentive plan.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all option and share-based awards granted to NEOs that were outstanding as of February 28, 2017, including awards granted before the year ended February 28, 2017.

| Name | Option-based Awards | | | | Share-based Awards | |
|---|---|----------------------------|------------------------|---|--|--|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) ⁽¹⁾ | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) |
| Nasim Tyab ⁽²⁾ President and Director | Nil | Nil | Nil | Nil | Nil | Nil |
| Gerald D. Wright ⁽³⁾ Chief Executive Officer and Director | Nil | Nil | Nil | Nil | Nil | Nil |
| Thomas R. Wilson ⁽⁴⁾ Chief Financial Officer | Nil | Nil | Nil | Nil | Nil | Nil |

- (1) Calculated by subtracting the exercise price from the market price as at February 28, 2017, multiplied by the number of options held. The last trading price of the Company’s shares on February 28, 2017 was \$0.075 per share.
- (2) Nasim Tyab has been the President of the Company since January 19, 2011 and a director of the Company since November 30, 2007. He was the Chief Executive Officer of the Company until January 12, 2017.
- (3) Gerald D. Wright has been the Chief Executive Officer and a director of the Company since January 12, 2017.
- (4) Thomas R. Wilson has been the Chief Financial Officer of the Company since January 19, 2011.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the year ended February 28, 2017 by the NEOs.

| Name | Option-based awards – Value vested during the year (\$) ⁽¹⁾ | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|---|--|--|--|
| Nasim Tyab ⁽²⁾ President and Director | Nil | Nil | Nil |
| Gerald D. Wright ⁽³⁾ Chief Executive Officer and Director | Nil | Nil | Nil |
| Thomas R. Wilson ⁽⁴⁾ Chief Financial Officer | Nil | Nil | Nil |

- (1) The value is determined by calculating the difference between the market price of the underlying shares and the exercise price of the options on the vesting date.
- (2) Nasim Tyab has been the President of the Company since January 19, 2011 and a director of the Company since November 30, 2007. He was the Chief Executive Officer of the Company until January 12, 2017.
- (3) Gerald D. Wright has been the Chief Executive Officer and a director of the Company since January 12, 2017.
- (4) Thomas R. Wilson has been the Chief Financial Officer of the Company since January 19, 2011.

Narrative Discussion

There was no re-pricing of stock options under the Plan or otherwise during the Company’s financial year ended February 28, 2017.

Refer to the heading titled “Option-Based Awards” above and “Particulars of Matters to Be Acted Upon – Approval of the Stock Option Plan” below for a description of all plan based awards and their significant terms.

Pension Plan Benefits

The Company does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Defined Benefits Plans

The Company does not have a pension plan that provide for payments or benefits at, following, or in connection with retirement, excluding defined contribution plans.

Defined Contribution Plans

The Company does not have a pension plan for payments or benefits at, following, or in connection with retirement, excluding defined benefit plans.

Deferred Compensation Plans

The Company does not have a pension plan for payments or benefits at, following, or in connection with retirement, excluding deferred compensation plans.

Termination and Change of Control Benefits

The Company has no plan or arrangement whereby any Named Executive Officer may be compensated in the event of that Named Executive Officer's resignation, retirement or other termination of employment, or in the event of a change of control of the Company or a change in the Named Executive Officer's responsibilities following such a change of control.

DIRECTOR COMPENSATION

Director Compensation Table

The following table sets out all compensation received by directors of the Company during the year ended February 28, 2017, who are not otherwise Named Executive Officers:

| Name | Fees earned (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|----------------------------------|------------------|-------------------------|--------------------------|---|--------------------|-----------------------------|------------|
| T. Barry Coughlan ⁽¹⁾ | 10,000 | Nil | Nil | Nil | Nil | Nil | 10,000 |
| Matthew Mikulic ⁽²⁾ | 20,000 | Nil | Nil | Nil | Nil | Nil | 20,000 |

(1) T. Barry Coughlan has been a director of the Company since January 19, 2011.

(2) Matthew Mikulic has been a director of the Company since January 19, 2011.

Narrative Discussion

During the year ended February 28, 2017, there were no standard compensation arrangements under which the directors of the Company were compensated for services in their capacity as directors (including any additional amounts payable for committee participation or special assignments). For services as consultants or experts and in lieu of standard compensation arrangements, T. Barry Coughlan and Matthew Mikulic were compensated \$10,000 and \$20,000 respectively. The Board intends to continue to compensate directors primarily through the grant of stock options and reimbursement of expenses incurred by such persons acting as directors of the Company.

Outstanding Share-Based Awards and Option-Based Awards for Directors

The following table sets forth all option and share-based awards granted to the Company's directors, other than the NEOs, that were outstanding as of February 28, 2017, including awards granted before the year ended February 28, 2017.

| Name | Option-based Awards | | | | Share-based Awards | |
|----------------------------------|---|----------------------------|------------------------|---|--|--|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) ⁽¹⁾ | Number of shares or units of shares that have not vested (#) | Market or payout value of share-based awards that have not vested (\$) |
| T. Barry Coughlan ⁽²⁾ | Nil | Nil | Nil | Nil | Nil | Nil |
| Matthew Mikulic ⁽³⁾ | Nil | Nil | Nil | Nil | Nil | Nil |

- (1) Calculated by subtracting the exercise price from the market price as at February 28, 2017, multiplied by the number of options held. The last trading price of the Company's shares on February 28, 2017 was \$0.075 per share.
- (2) T. Barry Coughlan has been a director of the Company since January 19, 2011.
- (3) Matthew Mikulic has been a director of the Company since January 19, 2011.

Incentive Plan Awards for Directors— Value Vested or Earned During the Year

The following table sets forth details of the value vested or earned for all incentive plan awards during the year ended February 28, 2017, by directors.

| Name | Option-based awards – Value vested during the year (\$) ⁽¹⁾ | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|----------------------------------|--|--|--|
| T. Barry Coughlan ⁽²⁾ | Nil | Nil | N/A |
| Matthew Mikulic ⁽³⁾ | Nil | Nil | N/A |

- (1) The value is determined by calculating the difference between the market price of the underlying shares and the exercise price of the options on the vesting date.
- (2) T. Barry Coughlan has been a director of the Company since January 19, 2011.
- (3) Matthew Mikulic has been a director of the Company since January 19, 2011.

Narrative Discussion.

There was no re-pricing of stock options under the Plan or otherwise during the Company’s financial year ended February 28, 2017.

For a summary of the material provisions of the Plan, pursuant to which all option-based awards are granted to the Company’s directors, please see below under the heading “Particulars of Matters to Be Acted Upon – Approval of the Stock Option Plan”, below for a description of all plan based awards and their significant terms.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of our equity compensation plan as of February 28, 2017:

| Plan Category | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|--|--|--|--|
| Equity compensation plans approved by security holders | 22,812 | \$3.20 | 2,929,485 |
| Equity compensation plans not approved by security holders | N/A | N/A | N/A |
| Total | 22,812 | \$3.20 | 2,929,485 |

(1) Based on 29,522,974 common shares issued and outstanding as at February 28, 2017.

A copy of the Plan is available for review at the registered offices of the Company, Suite 1500 – 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1 during normal business hours up to and including the date of the Meeting. At the Meeting, shareholders will be asked to approve the Plan. The Plan provided for the issuance of up to 10% of the Company’s issued and outstanding common shares at the time of grant. See the information under the heading “Approval of the Stock Option Plan”.

APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to vote for the appointment of Davidson & Company LLP, Chartered Accountants, to serve as auditors of the Company to hold office until the next annual general meeting of the shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board of the Company to fix the remuneration to be paid to the auditors. Davidson & Company LLP, Chartered Accountants, of Vancouver, BC were first appointed as auditors of the Company on November 13, 2007.

Management recommends that shareholders vote in favour of the appointment of Davidson & Company LLP, Chartered Accountants, as the Company's auditors for the Company's fiscal year ending February 28, 2017 at a remuneration to be fixed by the Company's Board.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 *Audit Committees* 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.

Audit Committee Charter

The following Audit Committee Charter was adopted by the Company's Board and Audit Committee on March 12, 2009:

Mandate

The primary function of the audit committee (the "Committee") is to assist the Company's Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and
- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

Composition

The Committee shall be comprised of a minimum of three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all of the members of the Committee shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" (as that term is defined in National Instrument 51-102), then all members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review
 - (a) review and update this Audit Committee Charter annually; and
 - (b) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.
2. External Auditors
 - (a) review annually, the performance of the external auditors who shall be ultimately accountable to the Company's Board of Directors and the Committee as representatives of the shareholders of the Company;
 - (b) obtain annually, a formal written statement of external auditors setting forth all relationships between the external auditors and the Company, consistent with Independence Standards Board Standard 1;
 - (c) review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors;
 - (d) take, or recommend that the Company's full Board of Directors take appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting;
 - (e) recommend to the Company's Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval;
 - (f) recommend to the Company's Board of Directors the compensation to be paid to the external auditors;

- (g) at each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company;
- (i) review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided,
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes

- (a) in consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments;

- (e) following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
 - (f) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
 - (g) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
 - (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
 - (i) review certification process;
 - (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
4. Other
- (a) review any related-party transactions;
 - (b) engage independent counsel and other advisors as it determines necessary to carry out its duties; and
 - (c) to set and pay compensation for any independent counsel and other advisors employed by the Committee.

Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors consisting of Nasim Tyab, T. Barry Coughlan and Matthew Mikulic. As defined in National Instrument 52-110, Nasim Tyab, the Company's President, is not "independent" and T. Barry Coughlan and Matthew Mikulic are independent. All of the Audit Committee members are "financially literate", as defined in National Instrument 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The audit committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

Nasim Tyab

Mr. Tyab is a businessman with a background in management, corporate development and public company finance. He has over 25 years of experience with public companies and has served as a director and senior officer of a number of public companies, principally in the minerals and energy sectors. He has been the President of Oracle Energy Corp. since 2000 and was the President of Senco Sensors Inc. from 1995 to 2001. Mr. Tyab has also been a director of Mohave Exploration and Production Inc. from November 2006 to August 2010, an oil and gas company which had amalgamated with Porto Energy Corp. He served as a consultant to Asia Pacific Resources and, as a member of the corporate development team for the Udon Thani project, he is familiar with the regional potash industry. Mr. Tyab received a Bachelor of Arts degree from Simon Fraser University in 1995.

T. Barry Coughlan

Mr. Coughlan is a Vancouver based businessman and financier who for over 30 years has been involved in the financing of publicly traded companies. He has been involved in the financing of over thirty private companies and their subsequent listings on North American Stock Markets. He has been employed as a Stock Broker in New York City, Toronto and Vancouver, and has extensive knowledge of both local and international financial markets. He is presently a director of five publicly traded companies and was previously a director of Taseko Mines Ltd., Great Basin Gold Ltd., Farallon Mining Ltd., and Continental Minerals Corp. He is also the CEO of Quadro Resources Ltd. Mr. Coughlan is, or was within the past five years, an officer and/or a director of the following companies:

| Company | Positions Held | From | To |
|---------------------------|---------------------------|---------------|-----------|
| Amarc Resources Ltd. | Director | February 2009 | Present |
| Great Basin Gold Ltd. | Director | February 1998 | June 2013 |
| Northcliff Resources Ltd. | Director | April 2011 | Present |
| Rathdowney Resources Ltd. | Director | March 2011 | Present |
| Taseko Mines Limited | Director | February 2001 | June 2015 |
| Quadro Resources Ltd. | CEO, President & Director | June 1986 | Present |

Matthew Mikulic

Mr. Mikulic was a director of Lucky Strike Resources Ltd. until December 2010. Mr. Mikulic is Chief winemaker at Three Sisters winery. He has a Bachelor of Science degree from the department of Viticulture and Enology at California State University in Fresno, California.

Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Company’s Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company’s most recently completed financial year, the Company has not relied on the exemptions contained in sections 2.4 or 8 of National Instrument 52-110. Section 2.4 (*De Minimis Non-audit Services*) 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 fiscal year in which the non-audit services were provided. Section 8 (*Exemptions*) permits a company to apply to a securities regulatory authority for an exemption from the requirements of National Instrument 52-110 in whole or in part.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as set out in the Audit Committee Charter of the Company. The full text of the Company’s Audit Committee Charter is included above under the heading “Audit Committee Charter”.

External Auditor Service Fees

In the following table, “audit fees” are fees billed by the Company’s external auditor for services provided in auditing the Company’s annual financial statements for the subject year. “Audit-related fees” are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company’s financial statements. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company’s external auditor in the last two fiscal years ended February 28, 2017 and February 29, 2016 by category, are as follows:

| Financial Year Ending | Audit Fees | Audit Related Fees | Tax Fees | All Other Fees |
|------------------------------|-------------------|---------------------------|-----------------|-----------------------|
| February 28, 2017 | \$26,239.50 | Nil | Nil | Nil |
| February 29, 2016 | \$21,420.00 | Nil | Nil | Nil |

Exemption

The Company is relying on the exemption provided by section 6.1 of National Instrument 52-110 which provides that the Company, as a venture issuer, is not required to comply with Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of National Instrument 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee, proposed nominee for election to the Board, or associate of such persons is, or has been, indebted to the Company since the beginning of the most recently completed financial year of the Company and no indebtedness remains outstanding as at the date of this Information Circular.

None of the directors or executive officers of the Company is or, at any time since the beginning of the most recently completed financial year, has been indebted to the Company. None of the directors' or executive officers' indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, common shares or who exercises control or direction of common shares, or a combination of both carrying more than ten percent of the voting rights attached to the common shares outstanding (an "Insider"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of common shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of common shares.

MANAGEMENT CONTRACTS

There were no management functions of the Company, which were, to any substantial degree, performed by a person other than the directors or executive officers of the Company.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, the Company is required to disclose its corporate governance practices as follows:

Board of Directors

The Board of the Company facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

T. Barry Coughlan, Matthew Mikulic and Anthony Clements are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholders. Nasim Tyab is the President and Gerald D. Wright is the Chief Executive Officer of the Company and they are therefore not independent.

Directorships

| Name of Director of the Company | Names of Other Reporting Issuers |
|---------------------------------|--|
| Nasim Tyab | Oracle Energy Corp. ⁽¹⁾ |
| Gerald D. Wright | Amanta Resources Ltd. ⁽¹⁾ |
| T. Barry Coughlan | Amarc Resources Ltd. ⁽¹⁾⁽⁵⁾ Northcliff Resources Ltd. ⁽¹⁾ Rathdowney Resources Ltd. ⁽¹⁾ Quadro Resources Ltd. ⁽¹⁾ |

- (1) TSX Venture Exchange
- (2) Toronto Stock Exchange
- (3) American Stock Exchange
- (4) National Association of Securities Dealers Automated Quotations
- (5) Over-The-Counter Bulletin Board

Orientation and Continuing Education

The Board of the Company briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board does not provide any continuing education.

Ethical Business Conduct

The Board of the Company do not currently have a written Code of Ethical Business Conduct for its directors, officers and employees, but views good corporate governance as an integral component to the success of the Company. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board of the Company do not have a nominating committee to identify new candidates for board nominations. The Board is responsible for identifying individuals qualified to become new board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

Compensation

The Board conducts reviews with regard to the compensation of the directors and Chief Executive Officer once a year taking into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

Other Board Committees

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

Assessments

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

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of common shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the approval of the Plan..

PARTICULARS OF MATTERS TO BE ACTED UPON

Approval of the Stock Option Plan

The Company has a 10% rolling stock option plan, pursuant to which the aggregate number of common shares issuable upon the exercise of all options granted shall not exceed 10% of the issued and outstanding common shares at the time of the stock option grant. Under the policies of the TSX-V, a "rolling" stock option plan, such as the Plan, is subject to TSX-V acceptance and must receive shareholder approval yearly at the annual meeting. In addition, the Company must receive TSX-V acceptance of a "rolling" stock option plan each year.

The Company is seeking approval from shareholders to approve the Plan at the Meeting. The purpose of the Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the capital of the Company, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Pursuant to the Plan, the number of common shares reserved for issuance under options granted to Insiders shall not exceed 10% of the issued and outstanding common shares and Insiders shall not be granted, within any 12 month period, a number of options exceeding 10% of the issued and outstanding common shares. The number of common shares subject to an option granted to any one participant shall be determined by the Board, but no one participant shall be granted an option which exceeds the maximum number permitted by the TSX-V, for so long as the common shares are listed on the exchange. No single participant in the Plan may be granted options to purchase a number of common shares equalling to more than five percent (5%) of the issued Common shares in any single 12 month period unless the Company has obtained the requisite disinterested Shareholder approval in respect of such grant and meets any TSX-V requirements, as applicable. The number of options granted to any one consultant in any 12 month period must not exceed two percent (2%) of the issued common shares, calculated at the date the option was granted to such consultant. The aggregate number of options granted to companies or individuals employed to provide Investor Relations Activities must not exceed two percent (2%) of the issued common shares in any 12 month period calculated at the date the option was granted.

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement or form of grant executed by the Company and the optionee, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the TSX-V for so long as the common shares are listed on the TSX-V. Subject to any vesting restrictions imposed by the TSX-V or the board of directors of the Company, options may be exercised in whole or in part at any time and from time to time during the option period. If a participant ceases to be a director, officer, employee or consultant of the Company for any reason (other than death), such participant may exercise the option within a reasonable period of time from such date as specified by the board of directors at the time of grant, such period to be no more than one year from such date. Notwithstanding the foregoing, options granted to any optionee of the Company while the Company is a CPC, where the optionee does not continue as a director, officer, consultant or employee of the Resulting Issuer, have a maximum term of the later of 12 months after completion of the Qualifying Transaction and 90 days after the optionee ceases to become a director, officer, consultant or employee of the Resulting Issuer, following which all rights to purchase shares under such option will cease and expire. In the event of the death of a participant in the Plan, the option previously granted shall be exercisable only within the one (1) year after such death and then only by the person or persons to whom the participant's rights under the option pass by will or the laws of descent and distribution and to the extent that such participant was entitled to exercise the option at the date of death.

The Plan shall be administered by the Board or by a special committee of the directors appointed from time to time by the Board pursuant to rules of procedure fixed by the Board (such committee, if appointed, is also hereinafter referred to as the Board). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing by the Board, shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries, the Company, and all other interested individuals.

The Board shall make such adjustments as it deems appropriate to (i) the number of common shares reserved for issuance pursuant to the Plan; (ii) the number of vested and unvested common shares subject to option; and (iii) the exercise price of common shares subject to option, to give effect to capital adjustments by reason of a stock dividend or split, recapitalization, consolidation, combination or exchange of shares, reclassification conversion or other fundamental change in the authorized or issued capital of the Company.

The complete text of the Plan is attached as Schedule "A" to this Information Circular.

At the Meeting, the shareholders will be asked to approve the following ordinary resolution:

"BE IT HEREBY RESOLVED THAT:

The Stock Option Plan of the Company, as described in the Information Circular of the Company, be and is hereby authorized and approved, subject to such amendments, changes, additions and alterations thereto that any majority of the Board where a quorum is present or acts unanimously approved in writing by the Board may approve or as may be required by the TSX Venture Exchange or such other stock exchange or exchanges as the common shares of the Company may be listed."

Management recommends the approval of the Plan.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com.

Shareholders may contact the Company at its office by mail at 1500 – 1040 West Georgia Street, Vancouver, British Columbia V6E 4H1, to request copies of the Company's financial statements and related Management's Discussion and Analysis (the "MD&A"). Financial information is provided in the Company's audited financial statements and MD&A for the year ended February 28, 2017.

OTHER MATTERS

Other than the above, management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular have been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of the Company.

Dated at Vancouver, British Columbia as the 31st day of August, 2017.

ON BEHALF OF THE BOARD OF DIRECTORS

VATIC VENTURES CORP.

Gerald D. Wright

SCHEDULE A
VATIC VENTURES CORP.
STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for Directors, Senior Officers, Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten (10) years as determined by the board of directors of the Company, to buy shares of the Company at a price not less than the Market Price prevailing on the date the option is granted less the applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- 2.1 "**Associate**" means an "Associate" as defined in the TSX-V Policies.
- 2.2 "**Black-Out Period**" means a period of time during which, pursuant to the policies of the Company, trading in Shares or Options is prohibited or restricted.
- 2.3 "**Board**" means the Board of Directors of the Company as constituted from time to time.
- 2.4 "**Change of Control**" means the acquisition by any person and/or its Joint Actors, whether directly or indirectly, of voting securities (as defined in the Securities Act) of the Company, which, when added to all other voting securities of the Company at the time held by such person and/or its Joint Actors, totals for the first time not less than fifty percent (50%) of the outstanding voting securities of the Company or the votes attached to those securities are sufficient, if exercised, to elect a majority of the Board.
- 2.5 "**Company**" means Vatic Ventures Corp. and its successors.
- 2.6 "**Consultant**" means a "Consultant" as defined in the TSX-V Policies.
- 2.7 "**Consultant Company**" means a "Consultant Company" as defined in the TSX-V Policies.
- 2.8 "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
- (a) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - (b) acting as a director or officer of the Company or its subsidiaries.

- 2.9 **"Discounted Market Price"** means, in respect of Shares on a particular Grant Date, the Market Price less the maximum discount permitted by the Exchanges.
- 2.10 **"Disinterested Shareholder Approval"** means approval by a majority of the votes attaching to shares voted at a meeting of shareholders of the Company, excluding the votes attaching to shares held by persons with an interest in the subject matter of the resolution, in accordance with TSX-V Policies.
- 2.11 **"Eligible Persons"** has the meaning given to that term in section 1 hereof.
- 2.12 **"Employee"** means an "Employee" as defined in the TSX-V Policies.
- 2.13 **"Exchanges"** means the TSX-V Venture Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- 2.14 **"Expiry Date"** means, in respect of an Option, the date set by the Board under paragraph 3.1 of the Plan as the last date on which such Option may be exercised, as may be extended in accordance with paragraph 4.5 of the Plan.
- 2.15 **"Expiry Time"** means, in respect of an Option, 4:00pm Pacific Standard Time on the Expiry Date of such Option.
- 2.16 **"Grant Date"** means, in respect of an Option, the date on which such Option is granted, as shall be specified in the Option Agreement for such Option.
- 2.17 **"Insider"** means an "Insider" as defined in the TSX-V Policies.
- 2.18 **"Investor Relations Activities"** means "Investor Relations Activities" as defined in the TSX-V Policies.
- 2.19 **"Joint Actor"** means a person "acting jointly or in concert" with another person as that phrase is interpreted in Multilateral Instrument 62-104 *Take-Over Bids and Issuer Bids*.
- 2.20 **"Management Company Employee"** means a "Management Company Employee" as defined in the TSX-V Policies.
- 2.21 **"Market Price"** means, in respect of Shares on a particular Grant Date, the closing price per Share on the last day on which Shares were traded immediately prior to either: (a) the day on which the Company announces the grant of the Option; or (b) if the grant is not announced, on the Grant Date. If the Shares are not listed on any stock exchange, "Market Price" of Shares means the price per Share on the over-the-counter market determined by dividing the aggregate sale price of the Shares sold by the total number of such Shares so sold on the applicable market for the last day prior to the Grant Date.
- 2.22 **"Option"** means an option to purchase Shares granted pursuant to, or otherwise subject to, this Plan.
- 2.23 **"Option Agreement"** means an agreement, in the form attached hereto as Schedule "A", whereby the Company grants to an Optionee an Option.
- 2.24 **"Optionee"** means a person holding an Option.
- 2.25 **"Option Price"** means the exercise price of an Option, being the per Share price at which the Optionee may acquire Option Shares pursuant to the exercise of such Option, such price to be specified in the Option Agreement for such Option, as may adjusted from time to time in accordance with the provisions of section 5.
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- 2.26 "**Option Shares**" means the Shares which an Optionee may purchase under an Option.
- 2.27 "**Plan**" means this Stock Option Plan.
- 2.28 "**Shares**" means the common shares in the capital of the Company provided that, in the event of any adjustment pursuant to section 5, "Shares" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.
- 2.29 "**Securities Act**" means the *Securities Act*, R.S.B.C. 1996, c.418, as amended, as at the date hereof.
- 2.30 "**TSX-V Policies**" means the policies included in the TSX Venture Exchange Corporate Finance Manual and "TSX-V Policy" means any one of them.
- 2.31 "**Unissued Option Shares**" means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 5, such adjustments to be cumulative.
- 2.32 "**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. GRANT OF OPTIONS

3.1 Option Terms

Pursuant to paragraph 6.3 of the Plan, the Board shall have the authority to issue Options and set the terms of Options in accordance with the terms of the Plan and applicable policies of the Exchanges.

The Board may from time to time authorize the issue of Options to Eligible Persons.

The Option Price for each Option shall be not less than the Discounted Market Price on the Grant Date provided that if an Option is granted within 90 days of the distribution of Shares by the Company pursuant to a prospectus, the Option Price must be the greater of the Discounted Market Price and the per share price paid for Shares acquired under such distribution. The 90 day period begins: (a) on the date a final receipt is issued for the prospectus, or, in the case of an initial public offering of Shares, on the date of listing of the Shares; or (ii) in the case of a prospectus that qualifies the distribution of Shares upon the exercise of special warrants, on the date of issuance of such special warrants.

The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten (10) years after the Grant Date, subject to the operation of paragraph 4.5. Options shall not be assignable (or transferable) by the Optionee.

3.2 Previously Granted Options

In the event that on the date this Plan is implemented and effective (the "**Effective Date**") there are outstanding stock options (the "**Pre-Existing Options**") that were previously granted by the Company pursuant to any stock option plan in place prior to the Effective Date (a "**Pre-Existing Plan**"), all such Pre- Existing Options shall, effective as of the Effective Date, be governed by and subject to the terms of the Plan.

3.3 Limits on Shares Issuable on Exercise of Options

At the time of grant of any Option, the aggregate number of Shares reserved for issuance under the Plan which may be made subject to Options at any time and from time to time (including those issuable upon the exercise of Pre-Existing Options) together with those Shares reserved for issuance at such time under any

other established or proposed share compensation arrangement of the Company shall not exceed 10% of the total number of issued and outstanding Shares, on a non-diluted basis, as constituted on the Grant Date of such Option.

Any Shares subject to an Option which has been granted under the Plan and which has been subsequently cancelled or terminated in accordance with the terms of the Plan, without having been exercised, will again be available for issuance pursuant to the exercise of Options granted under the Plan.

The Company must obtain Disinterested Shareholder Approval of a grant of stock options if the number of Shares granted under the Plan, together with all of the Company's other previously established and outstanding stock option plans or grants, results or could result in:

- (a) the number of shares reserved for issuance under stock options granted to Insiders exceeds 10% of the issued Shares;
- (b) the grant to Insiders, within a 12 month period, of a number of Shares exceeding 10% of the issued Shares; or
- (c) the issuance to any Optionee, within a 12 month period, of a number of Shares exceeding 5% of the issued Shares.

In addition to the above requirements:

- (a) no more than 2% of the total number of issued and outstanding Shares may be granted to any one Consultant in a 12 month period, calculated on the Grant Date on a non-diluted basis; and
- (b) no more than 2% of the total number of issued and outstanding Shares may be granted to all Eligible Persons who undertake Investor Relations Activities in a 12 month period, calculated on the Grant Date on a non-diluted basis.

3.4 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee.

In respect of Options granted to Employees, Consultants, Consultant Companies or Management Company Employees, the Company is representing herein and in the applicable Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary.

The execution of an Option Agreement by the Company shall constitute conclusive evidence that the Option issued thereunder has been awarded in compliance with this Plan.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to paragraphs 4.3, 4.4 and 4.5, including, without limitation: (i) any restriction (including vesting requirements) on the number or percentage of Option Shares which may be purchased by the Optionee during any particular time period; (ii) any restriction on the exercise of Options pursuant to the requirements of a Black-Out Period or any regulatory authority having jurisdiction; and (iii) termination of the Option in accordance with the terms of the Plan, the unexercised portion of an Option may be exercised by the Optionee in whole or in part at any time after the Grant Date up to the Expiry Time and shall not be exercisable thereafter.

4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company written notice specifying the number of Option Shares in respect of which the Option is being exercised together with payment in full of the Option Price for each such Option Share by way of certified cheque, bank draft, money order or cash. Upon receipt of such notice and payment by the Company, there will be a binding contract for the issue of the Option Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan.

Upon an Optionee exercising an Option and paying the Company the aggregate purchase price for the Option Shares in respect of which the Option has been exercised, the Company shall as soon as practicable issue and deliver a certificate representing the Shares so purchased.

4.3 Vesting of Option Shares

The Board, subject to the policies of the Exchanges, may determine and impose terms upon which each Option shall become Vested in respect of Option Shares. Unless otherwise specified by the Board at the time of granting an Option, and subject to the other limits on Option grants set out in paragraph 3.3 hereof, all Options granted under the Plan shall vest and become exercisable in full upon grant, except Options granted to Consultants performing Investor Relations Activities, which Options must vest in stages over twelve months with no more than one-quarter of the Options vesting in any three month period. Notwithstanding the foregoing, in the event that a Pre-Existing Plan imposed vesting requirements on a Pre-Existing Option, such vesting requirements must be satisfied before any such Pre-Existing Options shall become Vested.

4.4 Ceasing to be an Eligible Person and Death

(a) Death or Disability

If an Optionee (or: (a) in the case of an Optionee that is not an individual, the person that controls such Optionee; or (b) in the case of an Optionee that is a Consultant Company, all of the individuals who provide services to the Company or its subsidiaries on behalf of such Consultant Company) shall die, any Option held by such Optionee at the date of death shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period ending on the earlier of: (a) one year after the date of death of the Optionee; and (b) the Expiry Time in respect of the Option, and then only to the extent that such Optionee was entitled to exercise the Option at the date of death of such Optionee.

If the Optionee ceases to be an Eligible Person, due to his or her Disability or, in the case of an Optionee that is a company, the Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, any Option held by such Optionee at the date of Disability shall be exercisable in whole or in part for a period ending on the earlier of: (a) one year after the date of Disability of the Optionee; and (b) the Expiry Time in respect of the Option, and then only to the extent that such Optionee was entitled to exercise the Option at the date of Disability of such Optionee.

(b) Termination For Cause

If the Optionee ceases to be an Eligible Person as a result of "termination for cause" of such Optionee by the Company or its subsidiary (or in the case of an Optionee who is a Management Company Employee or Consultant, by the Optionee's employer), as that term is interpreted by the courts of the jurisdiction in which the Optionee is employed or engaged, any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

(c) Early Retirement, Voluntary Resignation or Termination Other than For Cause

If the Optionee ceases to be an Eligible Person due to his or her retirement at the request of his or her employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his or her voluntary resignation, or to his or her termination by the Company or its subsidiary other than for cause (or, in the case of an Optionee who is a Management Company Employee or a Consultant, the termination of the company providing management or consultant services to the Company or its subsidiary), any outstanding Option then held by such Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of: (i) the Expiry Time; and (ii) the date that is 90 days (or 30 days if the Optionee was engaged in Investor Relations Activities) after the Optionee ceases to be an Eligible Person.

(d) Spin-Out Transactions

If pursuant to the operation of sub-paragraph 5.3(c) an Optionee receives options (the "**New Options**") to purchase securities of another company (the "**New Company**") in respect of the Optionee's Options (the "**Subject Options**"), the New Options shall expire on the earlier of: (i) the Expiry Time of the Subject Options; (ii) if the Optionee does not become an Eligible Person in respect of the New Company, the date that the Subject Options expire pursuant to sub-paragraph 4.4(a), (b) or (c), as applicable; (iii) if the Optionee becomes an Eligible Person in respect of the New Company, the date that the New Options expire pursuant to the terms of the New Company's stock option plan that correspond to sub-paragraphs 4.4(a), (b) or (c) hereof; and (iv) the date that is two (2) years after the Optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board.

(e) Interpretation

For purposes of this paragraph 4.4, the dates of death, Disability, termination, retirement, voluntary resignation, ceasing to be an Eligible Person and incapacity shall be interpreted to be without regard to any period of notice (statutory or otherwise) or whether the Optionee or his or her estate continues thereafter to receive any compensatory payments from the Company or is paid salary by the Company in lieu of notice of termination.

For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5 Extension of Expiry Date During Black-Out Period

If the Expiry Date in respect of any Option occurs during or within five (5) trading days following a Black-Out Period imposed by the Company, the Expiry Date of the Option shall be automatically extended to the date that is ten (10) trading days following the end of such Black-Out Period (the "**Extension Period**"); provided that if an additional Black-Out Period is subsequently imposed by the Company during the Extension Period, then such Extension Period shall be deemed to commence following the end of such additional Black-Out Period to enable the exercise of such Options within ten (10) trading days following the end of the last imposed Black-Out Period.

4.6 Effect of a Take-Over Bid

If a *bona fide* offer (an "**Offer**") for Shares is made to the Optionee or to shareholders of the Company generally or to a class of shareholders which includes the Optionee, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of the Company, within the meaning of subsection 1(1) of the Securities Act, the Company shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer, whereupon (subject to the approval of the Exchanges) all Option Shares subject to such Option will become Vested and the Option may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender the Option Shares received upon such exercise, pursuant to the Offer. However, if:

- (a) the Offer is not completed within the time specified therein; o

- (b) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof,

then the Option Shares received upon such exercise, or in the case of sub-paragraph (b) above, the Option Shares that are not taken up and paid for, may be returned by the Optionee to the Company and reinstated as authorized but unissued Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become Vested pursuant to paragraph 4.3 shall be reinstated. If any Option Shares are returned to the Company under this paragraph 4.6, the Company shall immediately refund the exercise price to the Optionee for such Option Shares.

4.7 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer, provided that any accelerated vesting of Options granted to Consultants performing Investor Relations Activities shall be subject to the prior written approval of the Exchanges. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this paragraph, except that not less than 5 business days and not more than 35 days' notice is required.

4.8 Compulsory Acquisition or Going Private Transaction

If and whenever, following a take-over bid or issuer bid, there shall be a compulsory acquisition of the Shares of the Company pursuant to Division 6 of the *Business Corporations Act* (British Columbia) or any successor or similar legislation, or any amalgamation, merger or arrangement in which securities acquired in a formal take-over bid may be voted under the conditions described in Section 8.2 of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions*, then following the date upon which such compulsory acquisition, amalgamation, merger or arrangement is effective, an Optionee shall be entitled to receive, and shall accept, for the same exercise price, in lieu of the number of Shares to which such Optionee was theretofore entitled to purchase upon the exercise of his or her Options, the aggregate amount of cash, shares, other securities or other property which such Optionee would have been entitled to receive as a result of such bid if he or she had tendered such number of Shares to the take-over bid.

4.9 Effect of a Change of Control

If a Change of Control occurs, all Option Shares subject to each outstanding Option will become Vested, whereupon such Option may be exercised in whole or in part by the Optionee, subject to the approval of the Exchanges, if necessary.

4.10 Exclusion From Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company (including, in the case of a Management Company Employee or Consultant, termination of the company providing such management or consulting services to the Company or its subsidiary), the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.11 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

5. ADJUSTMENT OF OPTION PRICE AND NUMBER OF OPTION SHARES

5.1 Share Reorganization

Whenever the Company issues Shares to all or substantially all holders of Shares by way of a stock dividend or other distribution, or subdivides all outstanding Shares into a greater number of Shares, or combines or consolidates all outstanding Shares into a lesser number of Shares (each of such events being herein called a "**Share Reorganization**") then effective immediately after the record date for such dividend or other distribution or the effective date of such subdivision, combination or consolidation, for each Option:

- (a) the Option Price will be adjusted to a price per Share which is the product of:
 - (i) the Option Price in effect immediately before that effective date or record date; and
 - (ii) a fraction, the numerator of which is the total number of Shares outstanding on that effective date or record date before giving effect to the Share Reorganization, and the denominator of which is the total number of Shares that are or would be outstanding immediately after such effective date or record date after giving effect to the Share Reorganization; and
- (b) the number of Unissued Option Shares will be adjusted by multiplying (i) the number of Unissued Option Shares immediately before such effective date or record date by (ii) a fraction which is the reciprocal of the fraction described in clause (a)(ii).

5.2 Special Distribution

Subject to the prior approval of the Exchanges, whenever the Company issues by way of a dividend or otherwise distributes to all or substantially all holders of Shares;

- (a) shares of the Company, other than the Shares;
- (b) evidences of indebtedness;
- (c) any cash or other assets, excluding cash dividends (other than cash dividends which the Board has determined to be outside the normal course); or
- (d) rights, options or warrants;

then to the extent that such dividend or distribution does not constitute a Share Reorganization (any of such non-excluded events being herein called a "**Special Distribution**"), and effective immediately after the record date at which holders of Shares are determined for purposes of the Special Distribution, for each Option the Option Price will be reduced, and the number of Unissued Option Shares will be correspondingly increased, by such amount, if any, as is determined by the Board in its sole and unfettered discretion to be appropriate in order to properly reflect any diminution in value of the Option Shares as a result of such Special Distribution.

5.3 Corporate Organization

Whenever there is:

- (a) a reclassification of outstanding Shares, a change of Shares into other shares or securities, or any other capital reorganization of the Company, other than as described in paragraphs 5.1 or 5.2;

- (b) a consolidation, merger or amalgamation of the Company with or into another corporation resulting in a reclassification of outstanding Shares into other shares or securities or a change of Shares into other shares or securities;
- (c) an arrangement or other transaction under which, among other things, the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company, or securities of another company, or both; or
- (d) a transaction whereby all or substantially all of the Company's undertaking and assets become the property of another corporation;

(any such event being herein called a "**Corporate Reorganization**") the Optionee will have an option to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan) and will accept on the exercise of such option, in lieu of the Unissued Option Shares which he would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that he would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, he had been the holder of all Unissued Option Shares or if appropriate, as otherwise determined by the Board.

5.4 Determination of Option Price and Number of Unissued Option Shares

If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a Share Reorganization, Special Distribution or Corporate Reorganization, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Board may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

5.5 Regulatory Approval

Any adjustment to the Option Price or the number of Unissued Option Shares purchasable under the Plan pursuant to the operation of any one of paragraphs 5.1, 5.2 or 5.3 is subject to the approval of the Exchanges and any other governmental authority having jurisdiction.

6. MISCELLANEOUS

6.1 Right to Employment

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

6.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested Shareholder Approval (as required by the Exchanges) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchanges and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such

Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

6.3 Administration of the Plan

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations deemed necessary or advisable in respect of the Plan. Except as set forth in paragraph 5.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

6.4 Income Taxes

As a condition of and prior to participation in the Plan, any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his or her participation in the Plan.

6.5 Amendments to the Plan

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the shareholders, the Exchanges or any other regulatory body having authority over the Company or the Plan, 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 the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee.

6.6 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

6.7 No Representation or Warranty

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

6.8 Compliance with Applicable Law

If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or Exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

6.9 No Assignment

No Optionee may assign any of his or her rights under the Plan or any option granted thereunder.

6.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

6.11 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the province of British Columbia.

6.12 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

6.13 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

SCHEDULE "A"

VATIC VENTURES CORP.

STOCK OPTION PLAN - OPTION AGREEMENT

[The following legend is required in respect of Options with an Option Price based on the Discounted Market Price: *Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this agreement and any securities issued upon exercise thereof may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until four months and one day after the date of grant*].]

This Option Agreement is entered into between Vatic Ventures Corp. (the "Company") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on _____, 20__ (the "**Grant Date**");
2. _____(the "**Optionee**");
3. was granted the option (the "Option") to purchase _____ Common Shares (the "**Option Shares**") of the Company;
4. for the price (the "**Option Price**") of \$X.XX per share;
5. which shall be exercisable immediately commencing on the Grant Date [OR set forth applicable vesting schedule];
6. terminating on the _____, 20__ (the "**Expiry Date**");

all on the terms and subject to the conditions set out in the Plan. For greater certainty, Option Shares continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

The Optionee acknowledges that any Option Shares received by him upon exercise of the Option have not been registered under the United States *Securities Act of 1933*, as amended, or the Blue Sky laws of any state (collectively, the "**Securities Acts**"). The Optionee acknowledges and understands that the Company is under no obligation to register, under the Securities Acts, the Option Shares received by him or to assist him in complying with any exemption from such registration if he should at a later date wish to dispose of the Option Shares. **[Following to be included in Option Agreements with "U.S. Persons"** - The Optionee acknowledges that the Option Shares shall bear a legend restricting the transferability thereof, such legend to be substantially in the following form:

"The shares represented by this certificate have not been registered or qualified under the United States Securities Act of 1933, as amended or state securities laws. The shares may not be offered for sale, sold, pledged or otherwise disposed of unless so registered or qualified, unless an exemption exists or unless such disposition is not subject to U.S. federal or state securities laws, and the Company may require that the availability of any exemption or the inapplicability of such securities laws be established by an opinion of counsel, which opinion of counsel shall be reasonably satisfactory to the Company."

To the extent that the Option is potentially subject to taxation under either Canada or the U.S. or both jurisdictions, the Optionee acknowledges that the Optionee has had adequate opportunity to obtain advice of independent tax counsel with respect to the tax treatment of the Option (including federal, state and provincial, as applicable). Furthermore, non-U.S. Optionees who are granted Options

that are not subject to the restrictions applicable to U.S. Participants but who subsequently become subject to U.S. source income are strongly encouraged to seek advice of independent tax counsel to determine the applicability of U.S. tax law to such Options.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

Acknowledgement – Personal Information

The Optionee hereby acknowledges and consents to:

- (a) the disclosure to the TSX Venture Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (b) the collection, use and disclosure of such personal information by the TSX Venture Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the XX day of 20XX.

VATIC VENTURES CORP.

Signature

Per: _____
Authorized Signatory

Print Name

Address

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