

GSP RESOURCE CORP.

**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JULY 31, 2019**

AND

MANAGEMENT INFORMATION CIRCULAR

DATED JULY 2, 2019

GSP RESOURCE CORP.

**NOTICE OF ANNUAL GENERAL & SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JULY 31, 2019**

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of Shareholders of GSP Resource Corp. (the “**Corporation**”) will be held at 605-815 Hornby Street, Vancouver, B.C., Canada V6Z 2E6 on Wednesday, July 31, 2019 at 10:00 AM (Vancouver Time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended May 31, 2018, together with the report of the auditors thereon;
2. to fix the number of directors of the Corporation at four (4);
3. to elect the directors of the Corporation for the ensuing year;
4. to re-appoint the auditors for the ensuing year and to authorize the directors of the Corporation to determine the remuneration to be paid to the auditors;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution affirming, ratifying and approving the Corporation’s 10% rolling stock option plan, as more particularly described in the accompanying management information circular (the “**Circular**”); and
6. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

This notice of Meeting is accompanied by: (a) the Circular; and (b) either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders. **The Circular accompanying this notice of Meeting is incorporated into and shall be deemed to form part of this notice of Meeting.**

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is June 25, 2019 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. As a shareholder, you can choose from three different ways to vote your shares by proxy: (a) by mail or delivery in the addressed envelope provided or deposited at the offices of Computershare Investor Services Inc. (“**Computershare**”), Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, Canada M5J 2Y1, on behalf of the Corporation, so as to arrive not later than 10:00 AM (Vancouver time) on July 29, 2019, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used; (b) by telephone (toll free) at 1-866-732-VOTE (8683); or (c) on the internet at www.investorvote.com, unless the chair of the Meeting elects to exercise his or her discretion to accept proxies received subsequently.

The above time limit for deposit of proxies may be waived or extended by the chair of the Meeting at his or her discretion without notice.

DATED this 2nd day of July, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

“Simon Dyakowski”

Simon Dyakowski

President, Chief Executive Officer & Director

**GSP RESOURCE CORP.
MANAGEMENT INFORMATION CIRCULAR**

(As at July 2, 2019, except as otherwise indicated)

SOLICITATION OF PROXIES

This management information circular (“Circular”) is provided in connection with the solicitation of proxies by management of GSP Resource Corp. (the “Corporation”) for use at an annual general and special meeting (the “Meeting”) of the holders (“Shareholders”) of common shares (“Common Shares”) in the capital of the Corporation. The Meeting will be held on Friday, July 31, 2019 at 10:00 AM (Vancouver time) at 605-815 Hornby Street, Vancouver, B.C., Canada V6Z 2E6 or at such other time or place to which the Meeting may be adjourned, for the purposes set forth in the notice of annual general and special meeting accompanying this Circular (the “Notice”).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication. In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

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

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (a “Proxy”). Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy.

All time references in this Circular are references to Vancouver, British Columbia, Canada time.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper Proxy to Computershare Investor Services Ltd. (the “Transfer Agent”), at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1.

The persons named as proxyholders in the Proxy accompanying this Circular are directors or officers of the Corporation, or persons designated by management of the Corporation, and are representatives of the Corporation’s management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the management nominee designated in the Proxy may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person’s name in the blank space provided in the accompanying Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Proxy should notify such alternative nominee of the appointment, obtain the nominee’s consent to act as proxy, and provide instructions on how the Common Shares are to be voted. The nominee should bring personal identification to the Meeting. In any case, the Proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the Proxy).

In order to validly appoint a proxy, Proxies must be received by the Transfer Agent, at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment or postponement thereof. After such time, the chairman of the Meeting may accept or reject a Proxy delivered to him in his discretion but is under no obligation to accept or reject any particular late Proxy.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or the Transfer Agent at 100 University Avenue, 8th Floor, Toronto, ON, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the chairman before the proxy is exercised) and vote in person (or withhold from voting).

Signature on Proxies

The Proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A Proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his or her signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxy how to vote his, her or its Common Shares by completing the blanks on the Proxy.

The Common Shares represented by the enclosed Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. In the absence of such direction, such Common Shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE PROXY AND BELOW. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the Common Shares represented by a valid Proxy will be voted in favour of the election of nominees set forth in this Circular except where a vacancy among such nominees occurs prior to the Meeting, in which case, such Common Shares may be voted in favour of another nominee in the proxyholder's discretion. As at the date of this Circular, management of the Corporation knows of no such amendments or variations or other matters to come before the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to a substantial number of the Shareholders who do not hold their Common Shares in their own names. Shareholders who do not hold their Common Shares in their own names (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation 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 Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominees for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. **Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. The Corporation does not know for whose benefit the Common Shares registered in the name of CDS & Co. or other brokers/agents are held.** Therefore, 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.

Non-registered holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Corporation are referred to as “non-objecting beneficial owners (“**NOBOs**”). Those non-registered holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to as “objecting beneficial owners” (“**OBOs**”).

The Corporation does not intend to pay for Intermediaries to deliver the Meeting materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary to OBOs. As a result, OBOs will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

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, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically provides a scannable voting instruction form in lieu of the Instrument of Proxy, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the voting instruction forms to Broadridge. Alternatively, Beneficial Shareholders sometimes are provided with a toll-free telephone number or website information to deliver the Beneficial Shareholder’s voting instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form cannot use that voting instruction form to vote Common Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed voting instruction form as directed by Broadridge well in advance of the Meeting.**

All references to Shareholders in this Circular, the Instrument of Proxy and the Notice are to Shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be made available upon request to registered Shareholders who produce proof of their identity.

NOTICE-AND-ACCESS

The Corporation is not sending the Meeting materials to Shareholders using “notice-and-access”, as defined under NI 54-101—*Communication with Beneficial Owners of Securities of a Reporting Issuer*.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Shareholders of record as of June 25, 2019 (the “**Record Date**”) are entitled to receive notice and attend and vote at the Meeting, either in person or by proxy. As at the date of this Circular, the Corporation had 10,601,500 Common Shares issued and outstanding. Each Common Share entitles the holder to one vote in respect of any matter that may come before the Meeting. The outstanding Common Shares are listed on the TSX Venture Exchange (“**TSXV**”) under the symbol “GSPR”.

To the knowledge of the directors of the Corporation (the “**Directors**”) and executive officers of the Corporation, as of the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, shares carrying 10% or more of the voting rights attached to all shares of the Corporation, except for Simon Dyakowski, the Corporation’s President, Chief Executive Officer (“**CEO**”) and Director, owning 1,575,000 Common Shares, equal to approximately 14.9% of the issued and outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of Directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are set forth in the accompanying Notice. These matters are described in more detail under the headings below.

FINANCIAL STATEMENTS AND AUDITORS’ REPORT

Pursuant to the provisions of the *Business Corporations Act* (British Columbia) and of the Corporation’s Articles, the Corporation will submit to the Shareholders at the Meeting the financial statements of the Corporation for the year ended May 31, 2018 and the auditors’ report thereon, but no vote by the Shareholders with respect thereto is required or proposed to be taken. The Board, upon the recommendation of the Audit Committee (as described herein), approved the financial statements prior to their disclosure on SEDAR.

APPOINTMENT OF AUDITOR

The persons named in the enclosed instrument of proxy intend to vote for the re-appointment of **MNP LLP, Chartered Professional Accountants** as the Corporation's auditors until the next annual general meeting of Shareholders at remuneration to be fixed by the Board. **MNP LLP, Chartered Professional Accountants** have been the Corporation's auditors since their appointment by the Board on June 8, 2018. At the Meeting, the Shareholders will be asked to vote for the re-appointment of **MNP LLP, Chartered Professional Accountants** as the auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, or until their successors are duly appointed, and to authorize the Board to fix their remuneration.

ELECTION OF DIRECTORS

Each director elected will hold office until the next annual general meeting of the Corporation or until his successor is duly elected or appointed, unless the office is earlier vacated in accordance with the Articles of the Corporation or the *Business Corporations Act* (British Columbia) or he becomes disqualified to act as a director. **In the absence of instructions to the contrary, the enclosed proxy will be voted for the nominees listed herein.** Shareholder approval will be sought to fix the number of directors of the Corporation at four (4), subject to such increases as may be permitted by the Corporation's Articles and the *Business Corporations Act* (British Columbia). If before the Meeting any vacancies occur in the slate of nominees listed below, the person named in the Proxy will exercise his or her discretionary authority to vote the Common Shares represented by the Proxy for the election of any other person or persons as directors. Management of the Corporation proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name and Jurisdiction of Residence	Present Position(s) with the Corporation	Present Principal Occupation and Principal Occupation for the Five Preceding Years ⁽³⁾	Director /Officer Since	No. of Common Shares Beneficially Owned, Controlled or Directed ⁽¹⁾
Simon Dyakowski⁽²⁾ Vancouver, British Columbia, Canada	President, CEO and Director	President, CEO and Director of the Corporation; Independent Capital Markets Consultant; RBC, Associate; Bank of Tokyo, Associate, Corporate Banking; ACM Advisors Ltd., Senior Fund Analyst	February 19, 2018	1,575,000
Jordan Trimble⁽²⁾ Vancouver, British Columbia, Canada	Director	Director, President and CEO of Skyharbour Resources Ltd.; CEO of Rockridge Resources Ltd.; Director of the Corporation; Director of Barrian Mining Corp.	February 19, 2018	800,000
Chris Dyakowski⁽²⁾ Vancouver, British Columbia, Canada	Chairman, Director and Qualified Person	Self-Employed Professional Geoscientist (mining & exploration)	February 19, 2018	900,000
Justin Kates Vancouver, British Columbia, Canada	Director	Lawyer, Partner of DuMoulin Black LLP	February 19, 2018	300,000

(1) The number of Common Shares held includes Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by the proposed nominee.

(2) Member of the Audit Committee.

(3) The information as to principal occupation, business or employment is not within the knowledge of management of the Corporation and has been furnished by the respective nominees.

Corporate Cease Trade Orders, Sanctions, Penalties or Bankruptcies

None of the proposed Directors:

- a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any corporation, including the Corporation, that:

- (i) was the subject of an order which that person was acting in the capacity as director, executive officer or chief financial officer; or
 - (ii) was the subject of an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer in the Corporation which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- b) is as at the date of this Circular or has been within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual;
 - c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - d) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed Director.

For the purposes of the foregoing paragraphs, “order” means:

- a) a cease trade order;
- b) an order similar to a cease trade order; or
- c) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days.

RATIFICATION AND APPROVAL OF STOCK OPTION PLAN

On February 19, 2018, the Board approved the incentive stock option plan of the Corporation (the “**Option Plan**”), for the employees, Directors, officers, consultants and employees of a person or company which provides management services to the Corporation or its associated, affiliated, controlled and Subsidiary companies (the “**Participants**”), to grant such Participants stock options to acquire up to 10% of the Corporation’s issued and outstanding Common Shares as at the date of grant (“**Options**”). This is a “rolling” plan as the number of Common Shares reserved for issuance pursuant to the grant of Options will increase as the Corporation’s issued and outstanding number of Common Shares increases.

The purpose of the Option Plan is to allow the Corporation to grant Options to Directors, officers, employees, and consultants, as additional compensation, and as an opportunity to participate in the success of the Corporation. The granting of such Options is intended to align the interests of such persons with that of the Shareholders.

The Option Plan provides that the Directors of the Corporation may grant Options on terms that the Directors may determine, within the limitations of the Option Plan. The exercise price of an Option issued under the Option Plan is determined by the Board, but may not be less than the closing market price of the Common Shares on the day preceding the date of granting of the Option less any available discount, in accordance with the policies of the TSXV. No Option may be granted for a term longer than 10 years. An Option may expire on such earlier date or dates as may be fixed by the Board, subject to earlier termination in the event the Participant ceases to be eligible under the Option Plan by reason of death, retirement or otherwise.

The Option Plan provides for the following restrictions: (i) no Participant may be granted an Option if that Option would result in the total number of Options granted to the Participants in the previous 12 months, exceeding 5% of the issued and outstanding Common Shares unless the Corporation has obtained disinterested Shareholder approval in accordance with TSXV Policies; (ii) the aggregate number of Options granted to Participants conducting Investor Relations Activities (as defined in TSXV Policies) in any 12 month period must not exceed 2% of the issued and outstanding Common Shares, calculated at the time of grant; and, (iii) the aggregate number of Options granted to any one consultant in any 12 month period must not exceed 2% of the issued and outstanding Common Shares, calculated at the time of grant. In addition, Options granted to consultants conducting Investor Relations Activities will vest over a period of 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting or such longer vesting period as the Board may determine. Vesting of Options is otherwise at the discretion of the Board.

As at the date of this Circular, the Corporation has granted 975,000 Options at \$0.20 per Option to certain of its Directors, executive officers and consultants. An additional 81,150 Options remain available for future issuance (with the existing Options, representing an aggregate 10% of the current number of issued and outstanding Common Shares).

A copy of the Option Plan may be inspected at the head office of the Corporation during normal business hours and at the Meeting. In addition, a copy of the Option Plan will be mailed, free of charge, to any Shareholder who requests a copy, in writing, from the Chief Executive Officer of the Corporation.

Unless instructed otherwise, the management designees in the accompanying instrument of proxy intend to vote FOR the resolution to affirm, ratify and approve the Option Plan.

The text of the ordinary resolution regarding this matter is as follows:

“BE IT RESOLVED THAT:

1. the 10% rolling stock option plan (the “**Option Plan**”) of GSP Resource Corp. (the “**Corporation**”) dated effective February 19, 2018, as described in the management information circular and proxy statement of the Corporation dated July 2, 2019, as may be amended by the board of directors as required by applicable securities regulatory authorities or stock exchange, is hereby affirmed, ratified and approved;
2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities or stock exchange without requiring further approval of the shareholders of the Corporation;
3. the shareholders of the Corporation hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and
4. any one director or officer of the Corporation is authorized, on behalf of the Corporation, to execute and deliver all documents and do all things as such person may determine to be necessary or advisable to give effect to this resolution.”

EXECUTIVE COMPENSATION

The purpose of this section is to provide information about the Corporation’s executive compensation objectives and processes and to discuss compensation decisions relating to its Named Executive Officers listed in the Summary Compensation Table that follows. During its fiscal year ended May 31, 2019, the following individuals were Named Executive Officers (as determined by applicable securities legislation) of the Corporation:

Simon Dyakowski – President and CEO

Kenneth Phillippe – Chief Financial Officer and Corporate Secretary

The Corporation is a mineral exploration company whose assets include exploration properties located in British Columbia. The Corporation’s primary objective is to conduct initial exploration on various properties and then to seek partners to conduct follow-up exploration programs and continue the exploration effort. In most of these partnership arrangements, the Corporation will continue to act as operator and, in this way, the Corporation reduces dilution to its share capital and decreases its expenditures. This also allows the Corporation to continue exploration on these same properties with larger budgets than its own initial investment.

Notwithstanding the foregoing, given that the Corporation has not, as of yet, generated any significant income or cash flow from operations and operates with limited financial resources to ensure that funds are available to complete scheduled programs, the Board has to consider not only the financial situation of the Corporation at the time of the determination of executive compensation, but also the estimated financial situation in the mid and long term. An important element of executive compensation is the grant of Options by the Corporation to its employees, directors and officers which do not require cash disbursement by the Corporation.

Compensation Objectives and Principles

In assessing the compensation of its executive officers, other than the consulting agreement with Simon Dyakowski that provides for a base fee (see “Termination and Change of Control Benefits” below), the Corporation does not have in place any formal objectives, criteria or analysis; compensation payable is currently determined by the Board.

The Corporation's executive compensation program is based on comparisons of similar type and size companies. Both individual and corporate performances are also taken into account.

The primary goal of the company's executive compensation process is to attract and retain the key executives necessary for the Corporation's long-term success, to encourage executives to further the development of the Corporation and its operations and to motivate qualified and experienced executives. The key elements of executive compensation awarded by the Corporation are: (i) base salary; (ii) potential annual incentive awards; and (iii) Options. The Board is of the view that all elements should be considered rather than any single element. The Board has not considered the implications of the risk associated with the Corporation's compensation policies and practices. The compensation program is designed to reward each executive based on individual, business and corporate performance and is also designed to incent such executives to drive the annual and long-term business goals of the organization.

For executive officers who are offered compensation, such compensation will primarily be comprised of a base salary, fees and/or Options.

Share-Based and Option-Based Awards

Options to purchase Common Shares are intended to align the interests of the Corporation's directors and officers with those of its Shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of Shareholder value and to reduce the cash compensation the Corporation would otherwise have to pay. The Option Plan is administered by the Board. The Board also considers previous grants of Options and the overall number of Options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of Options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the officer in determining the level of Option compensation.

The Corporation has not at any time granted any share-based awards. See below for information regarding grants of Options to Named Executive Officers and Directors.

Benefits and Perquisites

The Corporation does not, as of the date of this Circular, offer any benefits or perquisites to its Named Executive Officers other than entitlement to Option as otherwise disclosed and discussed herein.

Summary Compensation Table

The following table (and notes thereto) states the name of each Named Executive Officer, his or her annual compensation, consisting of, as applicable, salary, consulting fees, bonus and other annual compensation, and long-term compensation, for the two most recently completed financial years of the Corporation, or such shorter period for which the Named Executive Officer has been an executive officer of the Corporation:

Name and principal position	Year Ended	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Simon Dyakowski ⁽²⁾ CEO	2018 ⁽¹⁾ 2019	Nil 18,000	N/A N/A	N/A Nil ⁽⁴⁾	N/A N/A	N/A N/A	N/A N/A	Nil Nil	Nil 18,000
Kenneth Phillippe ⁽³⁾ CFO & Corporate Secretary	2018 ⁽¹⁾ 2019	Nil 15,000	N/A N/A	N/A Nil ⁽⁴⁾	N/A N/A	N/A N/A	N/A N/A	Nil Nil	Nil 15,000

(1) From incorporation on February 19, 2018 to the financial year ended May 31, 2018.

(2) Director and CEO since February 19, 2018.

(3) CFO and Corporate Secretary since February 19, 2018.

(4) This amount is based on the number of Options held as of May 31, 2019 and is calculated on the difference between the market value of the Common Shares on the TSXV as at May 31, 2019, which was \$0.16, and the exercise price of the Option. These Options have not been exercised and actual gains, if any, on exercise will depend on the value of the Corporation's share price on the date of exercise.

Incentive Option-Based Awards for Named Executive Officers

Outstanding Share-Based Awards and Option-Based Awards

The following table states the name of each Named Executive Officer, the number of Options available for exercise, the Option exercise price and the expiration date for each Option as at the end of the most recently completed financial year.

Name	Option-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date
Simon Dyakowski, CEO	300,000	0.20	November 29, 2023
Kenneth Phillippe, CFO	100,000	0.20	November 29, 2023

Incentive Plan Awards – Value Vested or Earned During the Year

The table below discloses the aggregate dollar value that would have been realized by a Named Executive Officer if Options under the Option Plan had been exercised on the vesting-date.

Name	Option-based awards – Value vested during the year (\$)
Simon Dyakowski, CEO	Nil ⁽¹⁾
Kenneth Phillippe, CFO	Nil ⁽¹⁾

(1) This amount is the dollar value that would have been realized if the Options that vested during the year had been exercised on the vesting date, calculated as to $(a - b) * c$ where: a = the market price of the underlying securities on the vesting date; b = the exercise price of the Options that vested; and c = the number of Options that vested during the year. If a is less than or equal to b, the value vested during the year is Nil. These Options have not been exercised and actual gains, if any, on exercise will depend on the value of the Corporation's share price on the date of exercise.

During the most recently completed financial year, the Named Executive Officers did not exercise any Options under the Option Plan in respect of the Common Shares.

Pension Plan Benefits

The Corporation does not provide a defined benefit plan or a defined contribution plan for any of its executive officers, nor does it have a deferred compensation plan for any of its executive officers.

Termination and Change of Control Benefits

There are no written employment contracts between the Corporation and any Named Executive Officer or director. Pursuant to a consulting agreement with Simon Dyakowski, Simon Dyakowski is to be paid a base fee of \$3,000 per month for services as CEO of the Corporation. Pursuant to a consulting agreement with Max Investments Inc., a private company owned and controlled by Chris Dyakowski, Max Investments Inc. is to be paid a base fee of \$2,000 per month for services as Chairman of the Corporation.

There are no compensatory plans(s) or arrangements(s) with respect to the Named Executive Officers or directors resulting from the resignation, retirement or any other termination of employment of the officer or director's employment or from a change of any Named Executive Officer or director's responsibilities following a change in control.

Management Contracts

Management functions of the Corporation are generally performed by directors and executive officers of the Corporation and not, to any substantial degree, by any other person to whom the Corporation has contracted.

Compensation of Directors

Director Compensation Table

The following table (presented in accordance with Form 51-102F6) sets forth all amounts of compensation provided to the non-executive directors, other than Named Executive Officers, for the most recently completed financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Jordan Trimble ⁽¹⁾	Nil	N/A	100,000	N/A	N/A	Nil	Nil
Chris Dyakowski ⁽¹⁾	2,000 ⁽³⁾	N/A	200,000	N/A	N/A	19,577 ⁽⁴⁾	31,577
Justin Kates ⁽¹⁾	Nil	N/A	100,000	N/A	N/A	Nil	Nil

(1) Director since February 19, 2018.

(2) This amount is based on the number of Options held as of May 31, 2019 and is calculated on the difference between the market value of the Common Shares on the TSXV as at May 31, 2019, which was \$0.16, and the exercise price of the Option. These Options have not been exercised and actual gains, if any, on exercise will depend on the value of the Corporation's share price on the date of exercise.

(3) Paid to Max Investments Inc., a company controlled by Chris Dyakowski, pursuant to a consulting agreement with the Corporation.

(4) Max Investments Inc., a company controlled by Chris Dyakowski, received \$13,577 for project management services, and Chris Dyakowski received \$6,000 for fieldwork at the Olivine Property.

Narrative Discussion

The Corporation currently does not pay directors who are not employees or officers of the Corporation for attending directors' meetings or for serving on committees. The Corporation has no arrangements, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services as directors, for committee participation, or for involvement in special assignments during the most recently completed financial year. None of the Corporation's directors have received any cash compensation for services provided in their capacity as directors during the Corporation's most recently completed financial year. The Corporation has the Option Plan for the granting of Options to officers, employees, directors and consultants. The purpose of granting such Options is to assist the Corporation in compensating, attracting, retaining and motivating the directors of the Corporation and to closely align the personal interests of such persons to that of the Shareholders.

Outstanding Share-Based Awards and Option-Based Awards

The following table states the name of each non-executive director, the number of Options available for exercise, the Option exercise price and the expiration date for each Option as at the end of the most recently completed financial year.

Name	Option-based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date
Jordan Trimble	100,000	0.20	November 29, 2023
Chris Dyakowski	200,000	0.20	November 29, 2023
Justin Kates	100,000	0.20	November 29, 2023

Incentive Plan Awards – Value Vested or Earned During the Year

The table below discloses the aggregate dollar value that would have been realized by a director if Options under the Option Plan had been exercised on the vesting-date.

Name	Option-based awards – Value vested during the year (\$)
Jordan Trimble	Nil ⁽¹⁾
Chris Dyakowski	Nil ⁽¹⁾
Justin Kates	Nil ⁽¹⁾

(1) This amount is the dollar value that would have been realized if the Options that vested during the year had been exercised on the vesting date, calculated as to (a - b) * c where: a = the market price of the underlying securities on the vesting date; b = the exercise price of the Options that vested; and c = the number of Options that vested during the year. If a is less than or equal to b, the value vested during the year is Nil. These Options have not been exercised and actual gains, if any, on exercise will depend on the value of the Corporation's share price on the date of exercise.

During the most recently completed financial year, the directors did not exercise any Options under the Option Plan in respect of the Common Shares.

Securities Authorized for Issuance under Equity Compensation Plans

The following table (presented in accordance with Form 51-102F5) sets forth all compensation plans under which equity securities of the Corporation are authorized for issuance as of the end of the most recently completed financial year.

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
Option Plan ⁽¹⁾	975,000	\$0.20	85,150
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	975,000		85,150

(1) Securities granted pursuant to the Option Plan may not exceed 10% of the Corporation's issued and outstanding Common Shares.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the end of the most recently completed financial year, no individual who is or was a director, executive officer or employee of the Corporation or any of its subsidiaries, any proposed nominee for election as a director of the Corporation or any associate of such director or officer, is or was, at the end of the most recently completed financial year, indebted to the Corporation or any of its subsidiaries since the beginning of the most recently completed financial year of the Corporation, or is or has been indebted to another entity that is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries during that period.

CORPORATE GOVERNANCE DISCLOSURE

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate. National Policy 58-201 – Corporate Governance Guidelines establishes corporate governance guidelines to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

The following is a summary of the Corporation's approach to corporate governance.

Board of Directors

The Board facilitates its exercise of independent supervision over management by ensuring sufficient representation by directors independent of management. The Board, at present, is composed of four directors, three of whom, Chris Dyakowski, Jordan Trimble and Justin Kates, are considered to be independent. In determining whether a director is independent, the Board considers, for example, whether the director has a relationship which could, or could be perceived to, interfere with the director's ability to objectively assess the performance of management. On this basis, Simon Dyakowski, by reason of his office as President and CEO of the Corporation is not considered to be an independent director.

Other Directorships

The Corporation's current directors are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name	Name of Reporting Issuer
Simon Dyakowski	GK Resources Ltd.
	Tri Capital Opportunities Corp.
Jordan Trimble	Skyharbour Resources Ltd.

	Rockridge Resources Ltd.
	Tri Capital Opportunities Corp.
	Barrian Mining Corp.
Justin Kates	Permex Petroleum Corporation
	Sproutly Canada, Inc.

Orientation and Continuing Education

The Corporation has not yet developed an official orientation or training program for new directors. Notwithstanding the foregoing, all of the Corporation's directors are familiar with mineral and oil and gas exploration and, as such, orientation has not, to date, been required. Nevertheless, new directors are provided, through discussions and meetings with other directors, officers, and employees, with a thorough description of the Corporation's business, properties, assets, operations and strategic plans and objectives. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board has found that the fiduciary duties placed on individual directors by the Corporation'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 Corporation.

Nomination of Directors

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

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Corporation, this policy will be reviewed.

Board Committees

The Board currently has no standing committees other than the Audit Committee. The Audit Committee is appointed by the Board to assist in monitoring: (i) the integrity of the financial statements of the Corporation; (ii) the compliance by the Corporation with the legal and regulatory requirements; and (iii) the qualification, appointment, independence and performance of the Corporation's external auditors and senior financial executives.

Assessments

The Board monitors the adequacy of information given to Directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit Committee, to satisfy itself that the Board, its Audit Committee and its individual Directors are performing effectively.

AUDIT COMMITTEE

Audit Committee

The purpose of the Audit Committee is to assist the Board in its oversight of the quality and integrity of the accounting, auditing, reporting practices, systems of internal accounting and financial controls, the annual independent audit of the Corporation's financial statements, and the legal compliance and ethics programs of the Corporation as established by management.

Audit Committee Charter

The charter of the Audit Committee is attached hereto as Schedule "A".

Audit Committee Members

The Audit Committee presently consists of Simon Dyakowski, Chris Dyakowski and Jordan Trimble. Chris Dyakowski and Jordan Trimble are considered “independent” as that term is defined in applicable securities legislation. All three members of the Audit Committee members is financially literate within the meaning of Section 1.5 of NI 52-110 – *Audit Committees* in that he has 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 reasonably be expected to be raised by the Corporation’s financial statements. Simon Dyakowski, by reason of his offices as CEO and President of the Corporation, is not considered to be independent pursuant to applicable securities legislation.

Audit Committee Oversight

At no time since the commencement of the Corporation’s most recently completed financial year did the Board decline to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Relevant Education and Experience

The education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

- (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements;
- (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
- (c) experience preparing, auditing, analysing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting are as follows:

Name of Member	Education	Experience
Simon Dyakowski	MBA (Finance), CFA charterholder and Bachelor of Management and Organizational Studies	Professional experience is in equity research and equity sales coverage with previous positions held at Salman Partners and Leede Financial
Chris Dyakowski	BSc (Geo)	37 years’ experience as a director and/or officer of public companies
Jordan Trimble	BSc (Minor in Commerce), CFA charterholder	5 years’ experience as a director and/officer of public companies

Reliance on Certain Exemptions

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on the exemption in Section 2.4, 6.1.1(4), (5) and (6) of NI 52-110, or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Exemption for Venture Issuers

As a venture issuer, the Corporation is exempt from the provisions of NI 52-110 that would otherwise require its Audit Committee to be constituted in accordance with Part 3 of NI 52-110, and require the Corporation to comply with the reporting obligations in Part 5 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies or procedures for the engagement of non-audit services.

External Auditor Service Fees (By Category)

Fees payable to MNP LLP, Chartered Professional Accountants for services rendered for the financial year ended May 31, 2018 are detailed in the table below:

Financial Year Ended	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
May 31, 2018	\$10,700	Nil	Nil	Nil

- (1) Audit Fees are for professional services rendered by the auditors for the audit of the Corporation's financial statements regarding statutory and regulatory filings.
- (2) Audit Related fees are for services rendered by the Corporation's auditors related to the performance of the audit of the Corporation's financial statements and are not reported under the category "Audit Fees" above.
- (3) Tax Fees were for tax compliance.
- (4) All Other Fees are fees charged by the Company's auditors for products and services other than as set out under the heading "Audit Fees", "Audit Related Fees" and "Tax Fees" Exemption in 6.1 of NI 52-110.

AUDITOR

The current auditor for the Corporation is MNP LLP, Chartered Professional Accountants at 2200 – 1021 West Hastings Street, Vancouver, B.C., V6E 0C3, serving as the Corporation's auditor since their appointment by the Board on June 8, 2018.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no director or executive officer nor any of their associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of Common Shares or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors or the appointment of auditors of the Corporation. Certain of the directors and officers may be considered as having an interest in the affirmation, ratification and approval of the Option Plan given their eligibility for Option grants thereunder.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no insider of the Corporation, nor the proposed Nominees for election as directors of the Corporation, nor any associate or affiliate of such insider or proposed nominees, has any material interest, direct or indirect, in any transaction since the beginning of the last financial year of the Corporation, or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

Other Matters

Management knows of no other matters to come before the Meeting of Shareholders other than referred to in the notice of Meeting. However, if any other matters which are not known to the management of the Corporation shall properly come before the said Meeting, the form of proxy given pursuant to the solicitation by management of the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

Additional Information

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis by sending a written request to Suite 1610-777 Dunsmuir Street, Vancouver, BC V7Y1K4, Attention: CEO. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for its fiscal year ended May 31, 2018 and the Corporation's interim financial statements and management's discussion and analysis for the nine month period ended February 28, 2019, which are also available on SEDAR.

Approval of the Directors

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

July 2, 2019

BY ORDER OF THE BOARD OF DIRECTORS

“Simon Dyakowski”

Simon Dyakowski

President, Chief Executive Officer & Director

SCHEDULE "A"
AUDIT COMMITTEE CHARTER
[SEE ATTACHED]

GSP RESOURCE CORP.
(the “Company”)

AUDIT COMMITTEE CHARTER

1. Mandate and Purpose of the Committee

The Audit Committee (the “**Committee**”) of the board of directors (the “**Board**”) of **GSP Resource Corp.** (the “**Company**”) is a standing committee of the Board whose primary function is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements;
- (b) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements;
- (c) the qualifications, independence and performance of the Company’s auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company’s internal audit function;
- (f) consideration and approval of certain related party transactions; and
- (g) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Authority

The Committee has the authority to:

- (i) engage and compensate independent counsel and other advisors as it determines necessary or advisable to carry out its duties; and
- (ii) communicate directly with the Company’s auditor.

The Committee has the authority to delegate to individual members or subcommittees of the Committee.

3. Composition and Expertise

The Committee shall be composed of a minimum of three members, each of whom is a director of the Company. A majority of the Committee’s members must be “independent” and “financially literate” as such terms are defined in applicable securities legislation.

Committee members shall be appointed annually by the Board at the first meeting of the Board following each annual meeting of shareholders. Committee members hold office until the next annual meeting of shareholders or until they are removed by the Board or cease to be directors of the Company.

The Board shall appoint one member of the Committee to act as Chair of the Committee. If the Chair of the Committee is absent from any meeting, the Committee shall select one of the other members of the Committee to preside at that meeting.

4. Meetings

Any member of the Committee or the auditor may call a meeting of the Committee. The Committee shall meet at least four times per year and as many additional times as the Committee deems necessary to carry out its duties. The Chair shall develop and set the Committee's agenda, in consultation with other members of the Committee, the Board and senior management.

Notice of the time and place of every meeting shall be given in writing to each member of the Committee, at least 72 hours (excluding holidays) prior to the time fixed for such meeting. The Company's auditor shall be given notice of every meeting of the Committee and, at the expense of the Company, shall be entitled to attend and be heard thereat. If requested by a member of the Committee, the Company's auditor shall attend every meeting of the Committee held during the term of office of the Company's auditor.

A majority of the Committee shall constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously. Business may also be transacted by the unanimous written consent resolutions of the members of the Committee, which when so approved shall be deemed to be resolutions passed at a duly called and constituted meeting of the Committee.

The Committee may invite such directors, officers and employees of the Company and advisors as it sees fit from time to time to attend meetings of the Committee.

The Committee shall meet without management present whenever the Committee deems it appropriate.

The Committee shall appoint a Secretary who need not be a director or officer of the Company. Minutes of the meetings of the Committee shall be recorded and maintained by the Secretary and shall be subsequently presented to the Committee for review and approval.

5. Committee and Charter Review

The Committee shall conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter. The Committee shall conduct such review and assessment in such manner as it deems appropriate and report the results thereof to the Board.

The Committee shall also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any guidelines recommended by regulators or the Toronto Stock Exchange and shall recommend changes to the Board thereon.

6. Reporting to the Board

The Committee shall report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

7. Duties and Responsibilities

- (a) Financial Reporting

The Committee is responsible for reviewing and recommending approval to the Board of the Company's annual and interim financial statements, MD&A and related news releases, before they are released.

The Committee is also responsible for:

- (i) being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in the preceding paragraph, and for periodically assessing the adequacy of those procedures;
- (ii) engaging the Company's auditor to perform a review of the interim financial statements and receiving from the Company's auditor a formal report on the auditor's review of such interim financial statements;
- (iii) discussing with management and the Company's auditor the quality of applicable accounting principles and financial reporting standards, not just the acceptability of thereof;
- (iv) discussing with management any significant variances between comparative reporting periods; and
- (v) in the course of discussion with management and the Company's auditor, identifying problems or areas of concern and ensuring such matters are satisfactorily resolved.

(b) Auditor

The Committee is responsible for recommending to the Board:

- (i) the auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
- (ii) the compensation of the Company's auditor.

The Company's auditor reports directly to the Committee. The Committee is directly responsible for overseeing the work of the Company's auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the Company's auditor regarding financial reporting.

(c) Relationship with the Auditor

The Committee is responsible for reviewing the proposed audit plan and proposed audit fees. The Committee is also responsible for:

- (i) establishing effective communication processes with management and the Company's auditor so that it can objectively monitor the quality and effectiveness of the auditor's relationship with management and the Committee;

- (ii) receiving and reviewing regular feedback from the auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditor's final report;
- (iii) reviewing, at least annually, a report from the auditor on all relationships and engagements for non-audit services that may be reasonably thought to bear on the independence of the auditor; and
- (iv) meeting in camera with the auditor whenever the Committee deems it appropriate.

(d) Accounting Policies

The Committee is responsible for:

- (i) reviewing the Company's accounting policy note to ensure completeness and acceptability with applicable accounting principles and financial reporting standards as part of the approval of the financial statements;
- (ii) discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (iii) reviewing with management and the auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (iv) discussing with management and the auditor the acceptability, degree of aggressiveness/conservatism and quality of underlying accounting policies and key estimates and judgments; and
- (v) discussing with management and the auditor the clarity and completeness of the Company's financial disclosures.

(e) Risk and Uncertainty

The Committee is responsible for reviewing, as part of its approval of the financial statements:

- (i) uncertainty notes and disclosures; and
- (ii) MD&A disclosures.

The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending such policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee such policies for implementation and ongoing monitoring.

The Committee is responsible for requesting the auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are managed or controlled.

(f) Controls and Control Deviations

The Committee is responsible for reviewing:

- (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
- (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.

The Committee is also responsible for receiving reports from management when significant control deviations occur.

(g) Compliance with Laws and Regulations

The Committee is responsible for reviewing regular reports from management and others (e.g. auditors) concerning the Company's compliance with financial related laws and regulations, such as:

- (i) tax and financial reporting laws and regulations;
- (ii) legal withholdings requirements;
- (iii) environmental protection laws; and
- (iv) other matters for which directors face liability exposure.

(h) Related Party Transactions

All transactions between the Company and a related party (each a "related party transaction"), other than transactions entered into in the ordinary course of business, shall be presented to the Committee for consideration.

The term "related party" includes (i) all directors, officers, employees, consultants and their associates (as that term is defined in the *Securities Act* (British Columbia)), as well as all entities with common directors, officers, employees and consultants (each "general related parties"), and (ii) all other individuals and entities having beneficial ownership of, or control or direction over, directly or indirectly securities of the Company carrying more than 10% of the voting rights attached to all of the Company's outstanding voting securities (each "10% shareholders").

Related party transactions involving general related parties which are not material to the Company require review and approval by the Committee. Related party transactions that are material to the Company or that involve 10% shareholders require approval by the Board, following review thereof by the Committee and the Committee providing its recommendation thereon to the Board.

8. Non-Audit Services

All non-audit services to be provided to the Company or its subsidiary entities by the Company's auditor must be pre-approved by the Committee.

9. Submission Systems and Treatment of Complaints

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

The Committee is responsible for reviewing complaints and concerns that are brought to the attention of the Chair of the Audit Committee and for ensuring that any such complaints and concerns are appropriately addressed. The Committee shall report quarterly to the Board on the status of any complaints or concerns received by the Committee.

10. Procedure For Reporting Of Fraud Or Control Weaknesses

Each employee is expected to report situations in which he or she suspects fraud or is aware of any internal control weaknesses. An employee should treat suspected fraud seriously, and ensure that the situation is brought to the attention of the Committee. In addition, weaknesses in the internal control procedures of the Company that may result in errors or omissions in financial information, or that create a risk of potential fraud or loss of the Company's assets, should be brought to the attention of both management and the Committee.

To facilitate the reporting of suspected fraud, it is the policy of Company that the employee (the "whistleblower") has anonymous and direct access to the Chair of the Audit Committee. Should a new Chair be appointed prior to the updating of this document, current Chair will ensure that the whistleblower is able to reach the new Chair in a timely manner. In the event that the Chair of the Audit Committee cannot be reached, the whistleblower should contact the Chair of the Board of Directors. Access to the names and place of employment of the Company's Directors can be found in the Company's website.

In addition, it is the policy of the Company that employees concerned about reporting internal control weaknesses directly to management are able to report such weaknesses to the Committee anonymously. In this case, the employee should follow the same procedure detailed above for reporting suspected fraud.

11. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.