



333 Duckworth Street  
St. John's, NL A1C 1G9  
www.redmoonresources.com

## MANAGEMENT INFORMATION CIRCULAR as at JUNE 28, 2021

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by management of Red Moon Resources Inc. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of shareholders of the Company (the “**Shareholders**”) to be held on July 30, 2021 and any adjournment thereof, for the purposes set forth in the attached Notice of Annual General Meeting. Except where otherwise indicated, the information contained herein is stated as of June 28, 2021.

In this Information Circular, references to the “**Company**” and “**we**” refer to Red Moon Resources Inc. “**Common Shares**” means common shares without par value in the capital of the Company. “**Registered Shareholders**” means Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. “**Non-Registered Shareholders**” means Shareholders who do not hold Common Shares in their own name. “**Intermediaries**” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Non-Registered Shareholders.

### GENERAL PROXY INFORMATION

#### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged to send meeting materials directly to Registered Shareholders, as well as Non-Registered Shareholders who have consented to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (non-objecting beneficial owners). We have not arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders who have objected to their ownership information being disclosed by the Intermediary holding the Common Shares on their behalf (objecting beneficial owners) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”). As a result, objecting beneficial owners will not receive the Information Circular and associated meeting materials unless their Intermediary assumes the costs of delivery.

#### Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy (the “**Proxy**”) are officers of the Company or solicitors for the Company. **If you are a Registered Shareholder, you have the right to attend the meeting or vote by proxy and to appoint a person or company other than the person designated in the Proxy, who need not be a Shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of Proxy.**

If you are a Registered Shareholder you may wish to vote by proxy whether or not you are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Trust Company of Canada (“**Computershare**”), in accordance with the instructions on the Proxy.

In all cases you should ensure that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Every Proxy may be revoked by an instrument in writing:

- (i) executed by the Shareholder or by his/her attorney authorized in writing or, where the Shareholder is a company, by a duly authorized officer or attorney of the company; and

- (ii) delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, at which the Proxy is to be used, or to the chairman of the Meeting on the day of the Meeting or any adjournment thereof,

or in any other manner provided by law.

**Only Registered Shareholders have the right to revoke a Proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the Proxy on their behalf.** If you are a Non-Registered Shareholder, see “Voting by Non-Registered Shareholders” below for further information on how to vote your Common Shares.

### **Exercise of Discretion by Proxyholder**

If you vote by proxy, the persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein,
- (iii) any other matter that properly comes before the Meeting, and
- (iv) the exercise of discretion of the proxyholder.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.** Management is not currently aware of any other matters that could come before the Meeting.

### **Voting by Non-Registered Shareholders**

The following information is of significant importance to Shareholders who do not hold Common Shares in their own name. Non-Registered Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders.

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, 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 name of the Shareholder’s Intermediary or an agent of that Intermediary. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. (the registration name for as the Depository Trust Company, which acts as nominee for many U.S. brokerage firms), 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).

If you have consented to disclosure of your ownership information, you will receive a request for voting instructions from the Company (through Computershare). If you have declined to disclose your ownership information, you may receive a request for voting instructions from your Intermediary if they have assumed the cost of delivering the Information Circular and associated meeting materials. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. However, most Intermediaries now delegate responsibility for obtaining voting instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada.

If you are a Non-Registered Shareholder, you should carefully follow the instructions on the voting instruction form received from Computershare or Broadridge in order to ensure that your Common Shares are voted at the Meeting. The voting instruction form supplied to you will be similar to the Proxy provided to the Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on your behalf.

The voting instruction form sent by Computershare or Broadridge will name the same persons as the Company’s proxy to represent you at the Meeting. Although as a Non-Registered Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you (who

need not be a Shareholder), may attend at the Meeting as Proxyholder for your Intermediary and vote your Common Shares in that capacity. To exercise this right to attend the meeting or appoint a Proxyholder of your own choosing, you should insert your own name or the name of the desired representative in the blank space provided in the voting instruction form. Alternatively, you may provide other written instructions requesting that you or your desired representative attend the Meeting as Proxyholder for your Intermediary. The completed voting instruction form or other written instructions must then be returned in accordance with the instructions on the form.

**If you receive a voting instruction form from Computershare or Broadridge, you cannot use it to vote Common Shares directly at the Meeting – the voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Common Shares voted.**

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

No person or company has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. For the purpose of this paragraph, “person” shall include each person: (a) who has been a director, senior officer or insider of the Company at any time since the commencement of the Company’s last fiscal year; (b) who is a proposed nominee for election as a director of the Company; or (c) who is an associate or affiliate of a person or company as defined in paragraph (a) or (b) above.

#### **RECORD DATE AND QUORUM**

The board of directors of the Company (the “**Board**”) has fixed the record date for the Meeting as the close of business on June 28, 2021 (the “**Record Date**”). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares at the Meeting, except to the extent that any such Shareholder transfers any Common Shares after the Record Date and the transferee of those Common Shares establishes that the transferee owns the Common Shares and demands, not less than ten (10) days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, in which case, only such transferee shall be entitled to vote such Common Shares at the Meeting.

Under the Bylaws of the Company, the quorum for the transaction of business at a meeting of Shareholders is five percent (5%) of the Common Shares entitled to vote at a meeting of Shareholders present in person or by proxy, irrespective of the number of persons actually present at the Meeting.

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

The Company’s authorized capital consists of an unlimited number of Common Shares without nominal or par value. On the Record Date there were 73,315,534 Common Shares issued and outstanding, with each share carrying the right to one vote. Only Shareholders of record at the close of business on the Record Date will be entitled to vote by proxy at the Meeting or any adjournment or postponement thereof. There are currently no preferred shares issued and outstanding.

To the knowledge of the directors and executive officers of the Company, as of the date of this Circular, the Shareholders who beneficially own, or exercise control or direction, directly or indirectly, Common Shares carrying 10% or more of the votes attached to Common Shares are:

<b>Name</b>	<b>Number of Common Shares Owned, or Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>	<b>Approximate Percentage of Total Outstanding Common Shares</b>
Vulcan Minerals Inc.	28,891,000	39.41%

#### **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the Company’s directors, the only matters to be placed before the Meeting are those set forth in the accompanying Notice of Meeting and discussed below.

## Presentation of Financial Statements

The annual financial statements of the Company for the financial year ended December 31, 2020, together with the auditor's reports thereon, will be placed before the Meeting. The Company's financial statements are available on the System of Electronic Document Analysis and Retrieval (SEDAR) website at [www.sedar.com](http://www.sedar.com).

## Election of Directors

The Company proposes to fix the number of directors of the Company at five (5) and to nominate the persons listed below for election as directors. Each director will hold office until the next annual general meeting of the Company or until his/her successor is elected or appointed, unless his/her office is earlier vacated. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table sets out the names of the management's nominees for election as directors; their positions and offices in the Company; their principal occupation, business or employment; the period of time that they have served as directors of the Company; and the number of Common Shares which each beneficially owns or over which control or direction is exercised.

<b>Name, Residence and Present Position within the Company</b>	<b>Date First Elected/Appointed as a Director</b>	<b>Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly<sup>(1)</sup></b>	<b>Principal Occupation<sup>(1)</sup></b>
<b>Patrick Laracy</b> St. John's, NL <i>CEO and Director</i>	June 15, 2011	3,910,550 <sup>(2)</sup>	President & CEO, Vulcan Minerals Inc.
<b>Timothy Rowland Howe</b> Exeter, ON <i>President and Director</i>	November 6, 2020	100,000	President of the Arrochar Management
<b>Fraser Edison<sup>(3)</sup></b> St. John's, NL <i>Director</i>	November 1, 2019	400,000 <sup>(4)</sup>	President & CEO, Rutter Inc.
<b>Carson Noel<sup>(3)</sup></b> St. John's, NL <i>Director</i>	June 7, 2012	483,333	Senior Executive of public companies
<b>John Anderson<sup>(3)</sup></b> Vancouver, BC <i>Director</i>	November 6, 2020	792,000 <sup>(5)</sup>	President, Purplefish Capital Management

### Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled or directed is not within the knowledge of management of the Company and has been furnished by the respective nominees. Unless otherwise stated above, any nominees named above have held the principal occupation or employment indicated for at least the five preceding years.
- (2) 539,850 Common Shares are owned by Triassic Properties Ltd., a corporation controlled by Patrick Laracy.
- (3) Member of the Audit Committee of the Company.
- (4) 400,000 Common Shares are owned by Dollard Investments Ltd., a corporation controlled by Fraser Edison.
- (5) 500,000 Common Shares are owned by Purplefish Capital Inc., a corporation controlled by John Anderson.

Other than as disclosed below, to the knowledge of the Company, no proposed director of the Company:

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

- (ii) 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,
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in the that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director or executive officer;
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

For the purposes of section (a) above, “**order**” means:

- (i) a cease trade order;
- (ii) an order similar to a cease trade order; or
- (iii) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for more than 30 consecutive days.

#### **Appointment of Auditor**

At the Meeting, Shareholders of the Company will be asked to approve the appointment of the auditor of the Company. Management is recommending that Shareholders vote to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants, located at 125 Kelsey Drive, Suite 200, St. John's, Newfoundland and Labrador, Canada A1B 0L2, as auditor of the Company to hold office until the next annual general meeting of Shareholders, or until its successor has been appointed, and to authorize the directors to fix the remuneration of the auditor.

#### **Approval of Stock Option Plan**

At the Meeting, Shareholders of the Company will be asked to approve the continuation of the Company’s stock option plan (the “**Plan**”). 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, 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.

The following summary of the Plan does not purport to be complete and is qualified in its entirety by reference to the Plan. Shareholders may obtain copies of the Plan from the Company prior to the Meeting on written request.

Pursuant to the Plan, the Board may allocate non-transferable options to purchase Common Shares of the Company to directors and executive officers of the Company, and employees of, and consultants to, the Company and its subsidiaries. Under the Plan, the aggregate number of Common Shares to be delivered upon the exercise of all options granted under the Plan shall not exceed 10% of the issued Common Shares of the Company at the time of granting the options, subject to the following:

- (i) no individual shall, during any 12 month period, be granted an option which exceeds 5% of the issued and outstanding Common Shares of the Company at the time of granting the option, unless the Company is a Tier 1 Issuer and has obtained disinterested shareholder approval, as provided for in the policies of the TSX Venture Exchange (“**Exchange**”);
- (ii) no consultant to the Company shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Common Shares of the Company at the time of granting of the option;

- (iii) no employee conducting investor relations activities for the Company shall, during any 12 month period, be granted an option which exceeds 2% of the issued and outstanding Common Shares of the Company at the time of granting of the option; and
- (iv) the exercise price can only be at such price as permitted by the policies of the Exchange.

Options granted under the Plan are non-assignable (except in the event of death) and may be exercisable for a term of up to five years if the Company is classified as a Tier 2 Issuer by the Exchange (the Company is a Tier 2 issuer) or ten years if the Company is classified as a Tier 1 Issuer by the Exchange. Options granted under the Plan terminate within 90 days in the event that such optionee ceases to be a director, senior officer, employee of consultant of the Company, or an employee of a company providing management services to the Company, or employee of, or consultant to, the Company's subsidiary, or within one year after the death of such optionee. Options granted under the Plan to optionees providing investor relations activities will terminate within 30 days in the event that such optionee ceases to provide investor relations activities. The Board may, at its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

Disinterested Shareholder approval will be sought in respect of any material amendment to the Plan.

Shareholders will be asked at the Meeting to approve, with or without variation, the following ordinary resolution:

“BE IT RESOLVED as an ordinary resolution THAT:

- (a) the Company's stock option plan (the “**Plan**”) be ratified and approved, and that in connection therewith a maximum of 10% of the issued and outstanding Common Shares at the time of each grant be approved for granting as options;
- (b) the board of directors of the Company be authorized in its absolute discretion to administer the Plan, and amend or modify the Plan in accordance with its terms and conditions and with the policies of the TSX Venture Exchange; and
- (c) any one or more directors and officers of the Company be authorized and directed to do all acts and things and to execute and deliver all documents required, as in the opinion of such director or officer may be necessary or appropriate in order to give effect to this resolution.”

A copy of the Plan is available at the office of the Company at 333 Duckworth Street, St. John's, Newfoundland and Labrador, until the business day immediately preceding the date of the Meeting.

#### **Approval of Continuation from the Province of Alberta to the Province of British Columbia**

The Company is currently governed by the provisions of the *Business Corporations Act* (Alberta) (the “**ABCA**”). The Company is proposing to apply for the discontinuance of the Company from the Province of Alberta under section 189 of the ABCA and the continuance of the Company into the Province of British Columbia (the “**Continuance**”) under Section 302 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”).

Once continued, Company will remain a legal person, retain its rights and obligations as such, and remain a party to any judicial or administrative proceeding to which it is a party. The Continuance, if approved, will change the legal domicile of the Company and will affect certain of the rights of Shareholders as they currently exist under the ABCA. Accordingly, Shareholders should consult their own independent legal advisors regarding implications of the Continuance, especially from a tax perspective, which may be of particular importance to them.

The BCBCA provides Shareholders substantially the same rights as are available to Shareholders under the ABCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions. However, there are certain differences between the two statutes and the regulations thereunder. A summary of certain differences between the ABCA and the BCBCA which management of the Company considers to be of significance to Shareholders is attached hereto as Schedule “B”. These summaries are not an exhaustive review of the statutes. Reference should be made to the full text of the statutes and the regulations thereunder for particulars of any differences between them, and Shareholders should consult their legal or other professional advisors with regard to the implications of the Continuance which may be of importance to them.

### *Procedure*

Under the ABCA, in order to affect the Continuance of the Company from Alberta into British Columbia, the Company must obtain the approval of its Shareholders by way of special resolution under the ABCA, being a resolution passed by not less than two-thirds of the votes cast in person or by proxy at the Meeting.

The Company must also make a written application to the Registrar of Corporations appointed under the ABCA (the “**Alberta Registrar**”) for consent to continue. If the special resolution approving the continuance (the “**Continuance Resolution**”) is approved at the Meeting, it is proposed that the Company apply to and file all necessary documentation with the Alberta Registrar for authorization to continue into British Columbia.

Immediately following receipt of the authorization of the Alberta Registrar, it is proposed that the Company file a Continuation Application applying for a Certificate of Continuation (which application will include a Notice of Articles) under the BCBCA. Upon the issuance of a Certificate of Continuation by the British Columbia Registrar of Companies (the “**BC Registrar**”), the Continuance will become effective and the Company will become subject to the BCBCA as if it had been incorporated under the BCBCA, and the Notice of Articles filed with the BC Registrar will be deemed to be the Notice of Articles of the Company.

Once the Continuance is effective, the Company becomes a corporation to which the BCBCA applies as if it had been incorporated under the BCBCA. The Notice of Articles will constitute the governing instrument of the Company and the Certificate of Continuation will be deemed to be the certificate of incorporation of the Company. Notwithstanding the Continuance, the ABCA and the BCBCA provide that all the rights of creditors of the Company against the Company’s property, rights and assets and all liens on the Company’s property, rights and assets are unimpaired by the Continuance. All debts, contracts, liabilities and duties of the Company continue to attach to the Company upon being continued under the BCBCA and continue to be enforceable against it as if the Company had remained incorporated under the ABCA, as well as any existing cause of action, claim or legal proceeding against the Company. Notwithstanding the approval of the Continuance by special resolution of the Shareholders, the Board may, without further approval by the Shareholders, abandon the application for the Continuance of the Company under the BCBCA at any time prior to the issue of a Certificate of Continuation.

### *Capital Structure and Replacement of Bylaws*

The Company’s authorized share capital currently consists of an unlimited number of Common Shares. As noted above, upon the Continuance becoming effective, the Notice of Articles will constitute the governing instrument of the Company. The Company proposes to adopt a Notice of Articles which will authorize the issuance of an unlimited number of Common Shares. As a result, upon the effective date of the Continuation, the Company will only have one class of shares, being Common Shares. Current holders of Common Shares of the Company will be unaffected in terms of their equity interest in the Company. Upon the Continuance becoming effective, the Company will also adopt Articles under the BCBCA to replace the current Bylaws of the Company. Copies of the Notice of Articles and Articles that the Company proposes to adopt may be obtained upon request from the Company.

### **Dissent Rights with Respect to the Continuance**

Shareholders have the right to dissent to the Continuation pursuant to section 191(1) of the ABCA, the text of which is set forth in Schedule “C” to this Information Circular. In the event that the actions approved by the Continuance Resolution become effective, any Shareholder who dissents in accordance with the provisions of section 191(1) of the ABCA (a “**Dissenting Shareholder**”) will be entitled to be paid by the Company the fair value of the shares held by such Dissenting Shareholder determined as at the close of business on the last business day before the Continuance Resolution was adopted. The procedure for exercising this remedy is set forth in Schedule “C” and should be reviewed carefully.

The Company is not required to notify, and will not notify, Shareholders of the time periods within which action must be taken in order for Shareholders to perfect their dissent rights. It is recommended that Shareholders wishing to avail themselves of their dissent rights seek legal advice, as **failure to adhere strictly to the requirements of section 191(1) of the ABCA may result in the loss or unavailability of the noncompliant Shareholders’ rights under that section.**

In any event, if a notice of dissent is given by a Shareholder, it is the present intention of management to determine in its discretion whether or not to proceed with the completion the Continuance under the BCBCA. If the Continuance is abandoned, **any exercise of dissent rights will thereafter be inapplicable.**

**No right of dissent or appraisal is available to holders of Common Shares with respect to any other matter to be considered at the Meeting, other than the Continuance.**

*The Continuance Resolution*

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, the Continuance Resolution, which is a special resolution and, as such, requires approval a majority of no less than two-thirds (66⅔%) of the votes cast by Shareholders at the Meeting. The full text of the Continuance Resolution is set out below.

Shareholders will be asked at the Meeting to approve the following special resolution:

“BE IT RESOLVED, as a special resolution, that:

1. the Company is hereby authorized to apply to the Registrar of Corporations (the “**ABCA Registrar**”) under the *Business Corporations Act* (Alberta) (the “**ABCA**”) for authorization pursuant to section 189 of the ABCA to discontinue from the ABCA and to apply to the British Columbia Registrar of Companies (the “**BCBCA Registrar**”) under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) for a Certificate of Continuation continuing the Company as if it had been incorporated under the BCBCA (the “**Continuance**”);
2. the Company is hereby authorized to appoint an agent or agents to electronically file a continuation application (the “**Continuation Application**”) with the BCBCA Registrar and to apply to the ABCA Registrar for authorization permitting the Continuance and to request a Certificate of Discontinuation under the ABCA;
3. subject to the issuance by the BCBCA Registrar of a Certificate of Continuation and without affecting the validity of the Company and the existence of the Company by or under its Articles and By-Laws and any act done thereunder, effective upon issuance of the Certificate of Continuation, the Company adopt the Notice of Articles attached to the Continuation Application and the Articles in the form approved by the directors of the Company pursuant to the BCBCA, in substitution for the Articles and By-Laws of the Company pursuant to the ABCA, and all amendments reflected therein and thereto are approved and adopted;
4. on the date and time that the Continuation Application is filed with the BCBCA Registrar, the existing Articles and By-Laws of the Company be replaced with the Notice of Articles contained in the Continuation Application and the Articles, all as approved by the directors of the Company;
5. notwithstanding the passage of this special resolution by the shareholders of the Company, the directors of the Company, in their sole discretion and without further notice to or approval of the shareholders of the Company, may decide not to proceed with the Continuance or otherwise give effect to this special resolution, at any time prior to the Continuance becoming effective; and
6. any officer or director of the Company is authorized, for and on behalf of the Company, to execute and deliver all such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized hereby including, without limitation, the execution and filing of the Continuation Application and any forms, certificates and undertakings prescribed by or contemplated under the BCBCA or the ABCA.”

**Management recommends a vote “FOR” the approval of the Continuance Resolution. In the absence of a contrary instruction, the persons designated by management of the Company in the enclosed form of proxy intend to vote FOR the approval of the Continuance Resolution.**

Notwithstanding the approval of the Continuance by the Shareholders of the Company, the directors may abandon the Continuance without further approval from the Shareholders. If the Continuation is abandoned, the Company’s jurisdiction of incorporation will remain under the ABCA, the Continuance will not be completed and accordingly any exercise of dissent rights will thereafter be inapplicable.





Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>John Anderson</b> <sup>(5)</sup> <i>Director</i>	Options	550,000	Dec 16, 2020	\$0.10	\$0.08	\$0.11	Dec 21, 2025
<b>Timothy Rowland Howe</b> <sup>(6)</sup> <i>President and Director</i>	Options	550,000	Dec 16, 2020	\$0.10	\$0.08	\$0.11	Dec 21, 2025
<b>William Koenig</b> <sup>(7)</sup> <i>Former Director</i>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) Patrick Laracy held 2,000,000 compensation securities on the last day of the most recently completed financial year.
- (2) Jennifer Button held Nil compensation securities on the last day of the most recently completed financial year. Ms. Button ceased to be an eligible person under the Plan effective as of May 31, 2021.
- (3) Fraser Edison held 600,000 compensation securities on the last day of the most recently completed financial year.
- (4) Carson Noel held 700,000 compensation securities on the last day of the most recently completed financial year.
- (5) John Anderson held 550,000 compensation securities on the last day of the most recently completed financial year.
- (6) Timothy Rowland Howe held 550,000 compensation securities on the last day of the most recently completed financial year.
- (7) William Koenig held 600,000 compensation securities on the last day of the most recently completed financial year. Mr. Koenig ceased to be an eligible person under the Plan effective as of November 6, 2020. Mr. Koenig exercised 100,000 of these securities in February 2021. The remaining compensation securities have expired.

No compensation securities were exercised by a director or NEO during the Company's most recently completed financial year.

**Stock option plans and other incentive plans**

See "Approval of Stock Option Plan" above for the material terms of the Company's Plan. The Plan was previously approved by Shareholders on November 6, 2020. The Plan will be placed before the Meeting for Shareholder approval.

**Employment, consulting and management agreements**

Other than disclosed herein, the Company does not have any agreement or arrangement under which compensation was provided during the financial year ended December 31, 2020 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or a NEO, or performed by any other party but are services typically provided by a director or a NEO.

**Oversight and Description of Director and Named Executive Officer Compensation**

The objective of the Company's compensation program is to compensate the executive officers for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Company compensates its executive officers based on their skill, qualifications, experience level, level of responsibility involved in their position, the existing stage of development of the Company, the Company's resources, industry practice and regulatory guidelines regarding executive compensation levels.

The Board has implemented three levels of compensation to align the interests of the executive officers with those of the Shareholders. First, executive officers may be paid a monthly consulting fee or salary. Second, the Board may award executive officers long term incentives in the form of stock options. Finally, and only in special circumstances, the Board may award cash or share bonuses for exceptional performance that results in a significant increase in Shareholder value. The Company provides medical and dental benefits but it does not provide pension or other benefits to the executive officers.

The base compensation of the executive officers is reviewed and set annually by the Board, acting on behalf of recommendations from the Compensation Committee. The CEO has substantial input in setting annual compensation levels. The CEO is directly responsible for the financial resources and operations of the Company. In addition, the CEO and Board from time to time determine the stock option grants to be made pursuant to the Company's Plan. Previous grants of stock options are taken into account when considering new grants. The Board awards bonuses at its sole discretion. The Board does not have pre-existing performance criteria or objectives.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Company's most recently completed financial year with respect to compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plan (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by Shareholders (stock option plan)	5,675,000	\$0.14	660,000
Equity compensation plans not approved by Shareholders	N/A	N/A	N/A
<b>Total:</b>	5,675,000	<b>\$0.14</b>	660,000

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, executive officers, employees, proposed nominees for election as directors or their associates, or any former executive officers, directors and employees of the Company or any of its subsidiaries, have been indebted to the Company or any of its subsidiaries since the beginning of the most recently completed financial year.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Company's most recently completed financial year, no informed person of the Company (a director, officer or holder of 10% or more Common Shares) or nominee for election as a director of the Company, or any associate or affiliate of any informed person or proposed director has had any material interest, direct or indirect, in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

### MANAGEMENT CONTRACTS

Management functions of the Company or any of its subsidiaries are not to any substantial degree performed by anyone other than the directors or executive officers of the Company or subsidiary.

The Company has an agreement with its parent company, Vulcan Minerals Inc. ("**Vulcan**"), whereby the services of each of Vulcan's CEO and CFO are provided to the Company. The Company pays Vulcan for these services at cost, based on time incurred by these individuals for the Company. The Company paid Vulcan \$52,055 and \$28,460 for these services for the financial years ended December 31, 2020 and 2019, respectively.

## STATEMENT OF CORPORATE GOVERNANCE

### Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and charged with the day to day management of the Company. The Canadian Securities Administrators (“CSA”) have adopted National Policy 58-201 Corporate Governance Guidelines, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA has implemented National Instrument 58-101 Disclosure of Corporate Governance Practices (“NI 58-101”), which prescribes certain disclosure by the Company of its corporate governance practices. This disclosure is presented below.

### Board of Directors

The Board currently consists of five members, Patrick Laracy, Timothy Rowland Howe, Fraser Edison, Carson Noel and John Anderson, and it is proposed that all five individuals be nominated at the Meeting.

The Board has concluded that three directors, Fraser Edison, Carson Noel and John Anderson are “independent” for purposes of membership on the Board, as provided in NI 58-101. Patrick Laracy, CEO, and Timothy Rowland Howe, President are not “independent” for the purposes of membership on the Board, as provided in NI 58-101

The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. The Board facilitates open and candid discussion among its independent directors through collective communication among its directors and management.

### Other Directorships

The following table sets forth the directors of the Company who are directors of other reporting issuers:

Name	Name of other reporting issuer
Patrick Laracy	Vulcan Minerals Inc.
Timothy Rowland Howe	N/A
Fraser Edison	Vulcan Minerals Inc.
Carson Noel	Vulcan Minerals Inc.
John Anderson	First Vanadium Corp. FluidOil Limited Intercontinental Gold and Metals Ltd. Mexican Gold Corp. Parallel Mining Corp. Simba Gold Corp. Triumph Gold Corp. Metals Creek Resources Inc.

### Orientation and Continuing Education

Orientation of new members of the Board is conducted informally by management and members of the Board. The Company has not adopted formal policies respecting continuing education for Board members.

### Ethical Business Conduct

The Board has not adopted a formal code of business conduct and ethics. The Board is of the view that the fiduciary duties placed on individual directors by the Company’s governing legislation and common law, together with corporate statutory restrictions on an individual director’s participation in Board decisions in which the director has an interest, are sufficient to ensure that the Board operates independently of management and in the best interests of Shareholders.

## 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 general meeting. The Board takes in to account the number of directors required to carry out the Board's duties effectively and to maintain diversity of views and experience.

The Board has not established a nominating committee; this function is currently performed by the Board as a whole. The Board encourages an objective nomination process through collective communication among the directors.

## Compensation

The Company has a compensation committee ("**Compensation Committee**"). The members of the Compensation Committee are Carson Noel and Fraser Edison, both of whom are independent directors. The Compensation Committee has responsibility for determining compensation for the directors and senior management, including the allocation of stock options and making recommendations of such compensation to the Board.

## Board Committees

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

## Assessments

The Board annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors and receives a report from the Audit Committee respecting its effectiveness. As part of the assessments, the Board or the Audit Committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

## AUDIT COMMITTEE

### Audit Committee Disclosure

Pursuant to Section 171 of the *Business Corporations Act* (Alberta) and National Instrument 52-110 of the Canadian Securities Administrators ("**NI 52-110**") the Company is required to have an audit committee (the "**Audit Committee**") comprising not less than three directors, a majority of whom are not officers, control persons or employees of the Company or an affiliate of the Company. NI 52-110 requires the Company as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by: (i) reviewing the financial reports and other financial information provided by the Company to regulatory authorities and Shareholders; (ii) reviewing the systems for internal corporate controls which have been established by the Board and management; and (iii) overseeing the Company's financial reporting processes generally. In meeting these responsibilities the Audit Committee monitors the financial reporting process and internal control system; reviews and appraises the work of external auditors and provides an avenue of communication between the external auditors, senior management and the Board. The Audit Committee is also mandated to review and approve all material related party transactions.

### The Audit Committee's Charter

The Company has adopted a Charter of the Audit Committee, a copy of which is annexed hereto as Schedule "A".

### Composition of the Audit Committee

The Audit Committee comprises of the following members: John Anderson, Fraser Edison and Carson Noel. John Anderson, Fraser Edison and Carson Noel are considered to be independent. In addition, each member of the Audit Committee is considered to be financially literate as defined by NI 52-110 in that they have 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 Audit Committee are elected by the Board at its first meeting following the annual shareholders' meeting. Unless a chair is elected by the full Board, the members of the Audit Committee designate a chair by a majority vote of the full Audit Committee membership.

### Relevant Education and Experience

*John Anderson* – Mr. Anderson is 'financially literate' within the meaning of NI 52-110 due to his experience as President of Purplefish Capital Management as well as his numerous experiences on the Board of Directors of various companies.

*Fraser Edison* – Mr. Edison is 'financially literate' within the meaning of NI 52-110 due to his experience as President and CEO of Rutter Inc., previously a public company. In addition, Fraser Edison was past chair of the Audit Committee and current Chairman of Newfoundland and Labrador Liquor Corporation, past chair of St. John's Airport Authority and is a Board Member of Newfoundland and Labrador Hydro.

*Carson Noel* – Mr. Noel is 'financially literate' within the meaning of NI 52-110 by virtue of his past experience as a senior executive of a public company as well as his experience as a lawyer.

### Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, the 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 effective date of NI 52-110, the Company has not relied on the exemptions contained in sections 2.4 (De Minimis Non-Audit Services), subsection 6.1.1(4) (Circumstance Affecting the Business or Operations of the Venture Issuer), subsection 6.1.1(5) (Events Outside Control of Member), subsection 6.1.1(6) (Death, Incapacity or Resignation), or under Part 8 (Exemption) of NI 52-110.

### Pre-approval Policies and Procedures

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

### 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 or 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 fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
December 31, 2020	\$17,000	Nil	\$3,250	Nil
December 31, 2019	\$18,500	Nil	\$3,000	Nil

### Exemption

The Company is relying on section 6.1 of NI 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 NI 52-110.

**OTHER BUSINESS**

As of the date of this Information Circular, management of the Company knows of no other matters to be acted upon at the Meeting. However, should any other matters properly come before the Meeting, the Common Shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the Common Shares represented by the Proxy.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year, and available online at [www.sedar.com](http://www.sedar.com). Shareholders may request additional copies by mail to Red Moon Resources Inc., 333 Duckworth Street, St. John's, NL, A1C 1G9.

**DIRECTORS' APPROVAL**

The contents and the sending of the Notice of Meeting and this Information Circular have been approved by the Board.

**ON BEHALF OF THE BOARD OF DIRECTORS**

*"Patrick Laracy"*

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Patrick Laracy  
Chief Executive Officer

**Schedule “A”**

**Charter of the Audit Committee of the Board of Directors  
of Red Moon Resources Inc. (the “Company”)**

The Company’s Audit Committee Charter provides as follows:

- recommend to the board of directors the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company;
- recommend to the board of directors the compensation of the external auditor;
- assume direct responsibility for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company’s external auditor;
- review the Company’s financial statements, management discussion and analysis and annual and interim earnings press releases before the Company publicly discloses this information;
- be 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 stated immediately above and periodically assess the adequacy of those procedures;
- establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; establish procedures for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- review and approve the Company’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

## SCHEDULE “B”

### Certain Corporate Differences Between the ABCA and BCBCA

In general terms, the BCBCA provides the Company’s shareholders substantively the same rights as are available to the Company’s shareholders under the ABCA, including rights of dissent and appraisal and rights to bring derivative actions and oppression actions, and is consistent with corporate legislation in most other Canadian jurisdictions. There are, however, important differences concerning the qualifications of directors and certain shareholder remedies.

The following is a summary comparison of certain provisions of the BCBCA and the ABCA that pertain to rights of the Company’s shareholders. This summary is not intended to be exhaustive and the Company’s shareholders should consult their legal advisers regarding all of the implications of the Continuance. A copy of the BCBCA and a copy of the Company’s proposed Notice of Articles and Articles are available for review upon request at the at the head office of the Company at the address noted below under “*Additional Information*”.

#### *Charter Documents*

Under the BCBCA, the charter documents will consist of a Notice of Articles, which sets forth, among other things, the name of the Company, the amount and type of authorized capital, and indicates if there are any rights and restrictions attached to the shares, and Articles, which will govern the management of the Company following the Continuance. The Notice of Articles is filed with the BCBCA Registrar, and the Articles will be filed only with the Company’s registered and records office.

Similarly, under the ABCA, the Company has Articles of Incorporation, which sets forth, among other things, the name of the Company and the amount and type of authorized capital and indicates if there are any rights and restrictions attached to the shares, and By-laws, which govern the management of the Company. The Articles of Incorporation are filed with the ABCA Registrar and the By-laws are filed only with the Company’s registered and records office.

#### *Alterations of Share Structure and Change of Name*

Under the BCBCA, if specified in the Articles, the Board of Directors is provided with the flexibility to approve the alteration of the share structure of the Company to effect, among other things, the creation of classes of shares, a consolidation of its issued shares or an increase or decrease in the authorized share capital of the Company (collectively “**Share Structure Alterations**”). Under the ABCA, in order to effect Share Structure Alterations, a special resolution of the shareholders of the Company is required.

Similarly, under the BCBCA, the Board may resolve to change the name of the Company. Under the ABCA, in order to effect a change of name of the Company, a special resolution of the shareholders of the Company is required.

**The Articles adopted by the Company upon Continuance will permit the Board to approve Share Structure Alterations and to approve a change of name of the Company without shareholder approval.**

#### *Amendments to Charter Documents*

Any substantive change to the corporate charter of a company under the BCBCA, such as an alteration of the restrictions, if any, on the business carried on by the Company, or an alteration of the special rights and restrictions attached to issued shares requires a resolution passed by the majority of votes specified by the Articles of the company or, if the Articles do not contain such a provision, a special resolution passed by two-thirds (2/3) of the votes cast on the resolution. The Articles proposed to be adopted by the Company provide that the foregoing changes may be approved by the shareholders by special resolution. In addition, other fundamental changes such as a proposed amalgamation or continuation of a company out of the jurisdiction require a special resolution passed by two-thirds (2/3) of the votes cast on the resolution by holders of shares of each class entitled to vote at a general meeting of the company.

Under the ABCA such changes require a special resolution passed by not less than two-thirds (2/3) of the votes cast by the shareholders voting on the resolution authorizing the alteration and, where certain specified rights of the holders of a class or series of shares are affected differently by the alteration than the rights of the holders of other classes of shares, or in the case of holders of a series of shares, in a manner different from other shares of the same class, a special resolution passed by not less than two-thirds (2/3) of the votes cast by the holders of shares of each class, or series, as the case may be, whether or not they are otherwise entitled to vote.

### *Sale of Undertaking*

Under the BCBCA, a corporation may sell, lease or otherwise dispose of all, or substantially all, of the undertaking of the company if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution passed by the majority of votes that the Articles of the Company specify is required (being at least two-thirds and not more than three-quarters of the votes cast on the resolution) or, if the Articles do not contain such a provision, a special resolution passed by at least two-thirds of the votes cast on the resolution. Under the Articles proposed to be adopted by the Company, the special resolution will need to be passed by at least two-thirds (2/3) of the votes cast on the resolution.

The ABCA requires approval of the holders of the shares of a corporation represented at a duly called meeting by not less than two-thirds (2/3) of the votes cast upon a special resolution for a sale, lease or exchange of all or substantially all of the property (as opposed to the “undertaking”) of the corporation, other than in the ordinary course of business of the corporation. Each share of a corporation carries the right to vote in respect of a sale, lease or exchange of all or substantially all of the property of the corporation whether or not it otherwise carries the right to vote. Holders of shares of a class or series can vote only if that class or series is affected by the sale, lease or exchange in a manner different from the shares of another class or series. While the shareholder approval thresholds will be the same under the BCBCA and the ABCA, there are differences in the nature of the sale which requires such approval, i.e., a sale of all or substantially all of the “undertaking” under the BCBCA and of all or substantially all of the “property” under the ABCA.

### *Rights of Dissent and Appraisal*

The BCBCA provides that shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable in respect of:

- (a) a resolution to alter the Articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) a resolution to adopt an amalgamation agreement;
- (c) a resolution to approve an amalgamation into a foreign jurisdiction;
- (d) a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company’s undertaking;
- (f) a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) any other resolution, if dissent is authorized by the resolution; or
- (h) any court order that permits dissent.

The ABCA contains a similar dissent remedy, subject to certain qualifications. Regarding (b) and (c) above, under the ABCA, there is no right of dissent in respect of an amalgamation between a corporation and its wholly-owned subsidiary, or between wholly-owned subsidiaries of the same corporation. The ABCA also contains a dissent remedy where a corporation resolves to amend its Articles to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of a class.

### *Oppression Remedies*

Under the BCBCA, a shareholder of a company has the right to apply to the court on the grounds that:

- (a) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant; or
- (b) that some act of the company has been done or is threatened, or that some resolution of the shareholders or of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more of the shareholders, including the applicant.

On such an application, the court may make any interim or final order it considers appropriate including an order to prohibit any act proposed by the company.

The ABCA contains rights that are substantially broader in that they are available to a larger class of complainants. Under the ABCA, a shareholder, former shareholder, director, former director, officer, or former officer of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person to seek an oppression remedy, may apply to the court for an order to rectify the matters complained of where in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or the powers of the directors of the corporation or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director, or officer.

#### *Shareholder Derivative Actions*

Under the BCBCA, a shareholder or director of a corporation may, with leave of the court, bring an action in the name and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such a right, duty or obligation.

A broader right to bring a derivative action is contained in the ABCA, and this right also extends to officers, former shareholders, former directors and former officers of a corporation or its affiliates, and any person, who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action. In addition, the ABCA permits derivative actions to be commenced, with leave of the court, in the name and on behalf of a corporation or any of its subsidiaries.

#### *Requisite Approvals*

Under the BCBCA, a company can establish in its Articles the levels for various shareholder approvals, other than those levels that are prescribed by the BCBCA. The percentage of votes required for a special resolution can be specified in the Articles and may be no less than two-thirds (2/3) and no more than three-quarters (3/4) of the votes cast.

The ABCA does not provide flexibility with respect to the level of shareholder approval required for ordinary resolutions and special resolutions. Under the ABCA, an ordinary resolution must be passed by no less than a majority of the votes cast by shareholders entitled to vote with respect to the resolution and a special resolution must be passed by not less than two-thirds of the votes cast by the shareholders entitled to vote with respect to the resolution.

#### *Shareholders' Proposals*

A shareholder of a corporation incorporated under the ABCA who is entitled to vote, or a beneficial owner of shares, may submit notice of a shareholder proposal. To be eligible to make a proposal, a person must:

- (a) be a registered holder or beneficial owner of a prescribed number of shares for a prescribed period. Under the regulations currently in effect, the prescribed number of shares is the number of voting shares (i) that is equal to at least 1% of all issued voting shares of the corporation as of the day on which the registered holder or beneficial owner of the shares submits a proposal, or (ii) whose fair market value as determined as of the close of business on the day before the registered holder or beneficial owner of the shares submits the proposal is at least \$2,000. Under the regulations currently in effect, the prescribed period is the 6-month period immediately before the day on which the registered holder or beneficial owner of the shares submits the proposal;
- (b) have the prescribed level of support of other registered holders or beneficial owners of shares. Under the regulations currently in effect, the prescribed level of support for the proposal by other registered holders or beneficial owners of shares is at least 5% of the issued voting shares of the corporation;
- (c) provide to the corporation his or her name and address and the names and addresses of those registered holders or beneficial owners of shares who support the proposal; and
- (d) continue to hold or own the prescribed number of shares up to and including the day of the meeting at which the proposal is to be made.

In comparison, a person submitting a proposal under the BCBCA must have been a registered owner or beneficial owner of one or more shares carrying the right to vote at general meetings and must have owned such shares for an uninterrupted period of at least two years before the date of signing the proposal. Similar to the requirements of the ABCA, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of: (a) at least 1% of the issued shares of the corporation that carry the right to vote at general meetings; or (b) shares with a fair market value exceeding an amount prescribed by regulation (currently \$2,000).

*Requisition of Meetings*

The BCBCA provides that one or more shareholders of a company holding not less than 5% of the issued voting shares of the company may give notice to the directors requiring them to call and hold a general meeting within four months. The ABCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting to require the directors to call and hold a meeting of shareholders of a company for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

*Directors*

Both the BCBCA and ABCA provide that a public company in the case of the BCBCA and a distributing corporation in the case of the ABCA must have a minimum of three directors.

Under the ABCA, directors may be removed by ordinary resolution whereas under the BCBCA, directors may be removed by a special resolution or, if the Articles of a company otherwise provide that a director may be removed by a resolution of the shareholders entitled to vote at general meetings passed by less than a special majority or may be removed by some other method, by the resolution or method specified.

*Status as a British Columbia Company*

Currently, the Company's authorized capital consists of an unlimited number of common shares without nominal or par value, and an unlimited number of preferred shares without voting rights. If the Company's shareholders approve the Continuance, the Company will continue with an authorized capital consisting of an unlimited number of common shares without par value.

As an ABCA corporation, the Company's charter documents consist of Articles of Incorporation and By-laws and any amendments thereto to date. On completion of the Continuance, the Company will cease to be governed by the ABCA and will thereafter be deemed to have been formed under the BCBCA. As part of the Continuance Resolution, the Company's shareholders will be asked to approve the adoption of Continuance Application/Notice of Articles and Articles, which comply with the requirements of the BCBCA, copies of which are available for review by the Company's shareholders at the Company's registered and records office.

**SCHEDULE “C”**

**ABCA DISSENT RIGHTS**

**SECTION 191(1) OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)**

**Shareholder’s right to dissent**

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
- (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
- (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
- (c) amalgamate with another corporation, otherwise than under section 184 or 187,
- (d) be continued under the laws of another jurisdiction under section 189, or
- (e) sell, lease or exchange all or substantially all its property under section 190.

(2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.

(3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

(5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)

- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
- (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder’s right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder’s right to dissent.

(6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),

- (a) by the corporation, or
- (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.

(8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

(a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or

(b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.

(9) Every offer made under subsection (7) shall

(a) be made on the same terms, and

(b) contain or be accompanied with a statement showing how the fair value was determined.

(10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.

(11) A dissenting shareholder

(a) is not required to give security for costs in respect of an application under subsection (6), and

(b) except in special circumstances must not be required to pay the costs of the application or appraisal.

(12) In connection with an application under subsection (6), the Court may give directions for

(a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,

(b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,

(c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,

(d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,

(e) the appointment and payment of independent appraisers, and the procedures to be followed by them,

(f) the service of documents, and

(g) the burden of proof on the parties.

(13) On an application under subsection (6), the Court shall make an order

(a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,

(b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,

(c) fixing the time within which the corporation must pay that amount to a shareholder, and

(d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

(14) On

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.