

# **DLV RESOURCES LTD.**

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## **INFORMATION CIRCULAR**

(containing information as at August 13, 2018 unless indicated otherwise)

**For the Annual General Meeting  
to be held on Monday, September 17, 2018**

### **SOLICITATION OF PROXIES**

This information circular is furnished in connection with the solicitation of proxies by the management of **DLV RESOURCES LTD.** (the "**Corporation**") for use at the annual general meeting (the "**Meeting**"), of the shareholders (the "**Shareholders**") of the Corporation, to be held on **Monday, September 17, 2018** at the time and place and for the purposes set forth in the accompanying notice of meeting and at any adjournment thereof. The enclosed instrument of proxy is solicited by the management of the Corporation. The solicitation will be primarily by mail, however, proxies may be solicited personally or by telephone by the regular officers and employees of the Corporation. The cost of solicitation will be borne by the Corporation.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the accompanying form of proxy (the "**Proxy**") are directors and/or officers of the Corporation. **A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR HIM ON HIS BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE ENCLOSED INSTRUMENT OF PROXY. TO EXERCISE THIS RIGHT, A SHAREHOLDER SHALL STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE INSTRUMENT OF PROXY AND INSERT THE NAME OF HIS NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE CORPORATION'S REGISTRAR AND TRANSFER AGENT, TMX EQUITY TRANSFER SERVICES, 200 UNIVERSITY AVENUE, SUITE 300, TORONTO, ONTARIO, M5H 4H1 NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The Proxy must be signed and dated by the Shareholder or by his attorney in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

A Shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited with the Corporation's registrar and transfer agent, **TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1**, at any time up to and including the last business day preceding the Meeting, or any adjournment of it, at which the Proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

### **VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES**

On any poll, the persons named in the enclosed Proxy will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the proxyholder will do so in accordance with such direction.

**IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED**

UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this information circular, the management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the proxies hereby solicited will be voted on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority greater than one-half of the votes cast will be required unless the motion requires a special resolution, in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested shareholder approval, common shares held by shareholders of the Corporation who have an interest in the motion and common shares held by their "associates", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

## **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

### ***General***

The authorized capital of the Corporation consists of an unlimited number of common shares (the "Common Shares") and an unlimited number of preferred shares, both without par value. As at the close of business on August 13, 2018, 74,140,328 Common Shares were issued and outstanding, each share carrying the right to one vote. No preferred shares in the capital of the Corporation have been issued.

Only Shareholders of record as at the close of business on August 13, 2018 (the "**Record Date**") who either personally attend the Meeting or who have completed and delivered a form of Proxy in the manner and subject to the provisions described under the heading "Appointment and Revocation of Proxies" shall be entitled to vote, or have their common shares voted, at the Meeting, or any adjournment thereof. On any poll, each Shareholder of record holding common shares of the Corporation on the Record Date is entitled to one vote for each common share registered in his or her name on the list of shareholders as at the Record Date.

### ***Advice to Beneficial Holders of Common Shares***

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold common shares in their own name.** Shareholders who do not hold their common shares in their own name (referred to in this information circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders whose names appear on the records of the 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 CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications ("**Broadridge**"). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote common shares directly at the Meeting. Instead, the voting**

**instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such common shares are voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting common shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a proxyholder for a shareholder and vote common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their common shares as a proxyholder.

The Corporation will not pay for an intermediary to deliver proxy related materials and voting instruction forms to objecting beneficial owners (called OBOs for Objecting Beneficial Owners). OBOs have objected to their intermediary disclosing ownership information about themselves to the Corporation. Accordingly, OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

The Corporation is not relying on the "notice-and-access" delivery procedures outlined in National Instrument 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

### *Principal Holders of Voting Shares*

To the knowledge of the directors and senior officers of the Corporation, as of August 13, 2018, there are no persons or corporations that beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Corporation.

## **EXECUTIVE COMPENSATION**

**Definitions: For the purpose of this Information Circular:**

**“Chief Executive Officer”** or **“CEO”** of the Corporation means an individual who acted as chief executive officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

**“Chief Financial Officer”** or **“CFO”** of the Corporation means an individual who acted as chief financial officer of the Corporation, or acted in a similar capacity, for any part of the most recently completed financial year;

**“closing market price”** means the price at which the Corporation’s security was last sold, on the applicable date,

- (a) in the security’s principal marketplace in Canada, or
- (b) if the security is not listed or quoted on a marketplace in Canada, in the security’s principal marketplace;

**“company”** includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

**“equity incentive plan”** means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS2 *Share-based Payment*;

**“executive officer”** of the Corporation means an individual who at any time during the most recently completed financial year was:

- (a) a chair, vice-chair or president of the Corporation;
- (b) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production; or
- (c) performing a policy-making function in respect of the Corporation.

**“grant date”** means a date determined for financial statement reporting purposes under IFRS2 *Share-based Payment*;

**“incentive plan”** means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

**“incentive plan award”** means compensation awarded, earned, paid, or payable under an incentive plan;

“NEO” or “Named Executive Officer” means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year;

“NI 52-107” means National Instrument 52-107 *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“non-equity incentive plan” means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

“option-based award” means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights, and similar instruments that have option-like features;

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

“share-based award” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, Common Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

## **STATEMENT OF EXECUTIVE COMPENSATION**

In accordance with the provisions of applicable securities legislation, the Corporation had five (5) “Named Executive Officers” during the financial year ended November 30, 2017, namely Mr. Geir Liland, President CEO and a Director since April 27, 2017, Ms. Jasvir Kaloti, CFO and Corporate Secretary since November 2, 2017, Melinda Coghill, former CFO and Corporate Secretary from April 27, 2017 to November 2, 2017, Thomas E. Wharton Jr., former President, CEO and Director from July 1, 2016 to April 27, 2017 and Peter W. Hogg, former CFO to April 27, 2017.

The Corporation’s process for determining executive compensation is very simple. In particular, the Corporation relies solely on board discussion without any formal objectives, criteria and analysis.

Through its executive compensation practices, the Corporation seeks to provide value to its Shareholders through a strong executive leadership. Specifically, the Corporation’s executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation’s strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Corporation’s success, and align the interests of the Corporation’s executives and Shareholders by motivating executives to increase Shareholder value.

The Corporation does not currently pay any base salary compensation to its Named Executive Officers for their services in their capacity as Named Executive Officers. Compensation to Named Executive Officers currently consists solely of the granting of stock options. In determining executive compensation, the Corporation relies solely on the experience and knowledge of the Board of Directors in terms of appropriate compensation for executive officers with similar abilities and experience.

The Board of Directors has not conducted a formal evaluation of the implications of the risks associated with the Corporation’s compensation policies. Risk management is a consideration of the Board of Directors when implementing its compensation policies and the Board of Directors do not believe that the Corporation’s compensation policies result in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Corporation.



NEO Name And Principal Position	Financial Year ended November 30	Salary (\$)	Share- based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other comp- ensation (\$)	Total comp- ensation (\$)
					Annual incentive plans	Long- term incentive plans			
Thomas E. Wharton Jr. <sup>(4)</sup> former President, CEO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter W. Hogg <sup>(5)</sup> former CFO	2017	Nil	Nil	Nil	Nil	Nil	Nil	3,709	3,709
	2016	Nil	Nil	Nil	Nil	Nil	Nil	3,210	3,210
	2015	Nil	Nil	Nil	Nil	Nil	Nil	16,025	16,025
Clinton Smyth <sup>(6)</sup> Former President, CEO and a director	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2016	Nil	Nil	Nil	Nil	Nil	Nil	7,000	7,000
	2015	Nil	Nil	Nil	Nil	Nil	Nil	14,000	14,000

Note:

- (1) Mr. Geir Liland has served as President, CEO and Director since April 27, 2017
- (2) Ms. Jasvir Kaloti has served as CFO & Corporate Secretary since November 2, 2017
- (3) Ms. Melinda Coghill served as CFO & Corporate Secretary from April 27, 2017 to November 2, 2017
- (4) Mr. Thomas E. Wharton served as President, CEO from July 1, 2016 to April 27, 2017, and a director from Jan 22, 2015 to April 27, 2017.
- (5) Peter W. Hogg was CFO of the Corporation to April 27, 2017. The amounts shown as paid to Mr. Hogg were paid to a company controlled by Mr. Hogg.
- (6) Clinton Smyth was President, CEO and a director from April 20, 2010 to June 30, 2016. The amounts shown as paid to Mr. Smith were paid to a company controlled by Mr. Smith.

#### INCENTIVE PLAN AWARDS – Value Vested or Earned During the Year

No stock options were granted to the NEOs during the year ended November 30, 2017.

No stock options that were previously granted to the NEOs of the Corporation vested or were exercised during the year ended November 30, 2017. The Company has no stock options outstanding.

#### Narrative Discussion

The only plan based award program that the Corporation currently operates with is its Stock Option Plan. The Corporation's current Stock Option Plan was adopted by the Board of Directors on May 1, 2017. The purpose of the Stock Option Plan is to advance the interests of the Corporation, through the grant of options, by (1) providing an incentive mechanism to foster the interest of directors, officers, employees and consultants in the success of the Corporation; (2) encouraging directors, officers, employees and consultants to remain with the Corporation; and (3) attracting new directors, officers, employees and consultants.

The Stock Option Plan is administered by the Board or the Compensation Committee established by the Board for the purpose of administering the Stock Option Plan. At the present time, option grants are approved by either the Board or the Compensation Committee. It is the responsibility of the granting party to determine:

- (a) persons entitled to receive the option grant;
- (b) the number of options to be granted;
- (c) the exercise price, which shall not be less than market price for the Corporation's common shares at the date of grant;
- (d) an expiry date of no more than ten (10) years after the date of the grant; and
- (e) the manner, if any, in which the option shall vest and become exercisable.

The significant terms of the Stock Option Plan are set out below under the heading "Particulars of Other Matters to be Acted Upon – Re-Approval of Rolling Stock Option Plan".

## PENSION PLAN BENEFITS

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Corporation and none are proposed at this time.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

During the financial year ended November 30, 2017, the Corporation did not have any contracts or arrangements with any of its Named Executive Officers and thus there are no termination or change of control benefits issuable thereto. There are no compensatory plan, contract or arrangement where a Named Executive Officer is entitled to receive payments from the Corporation or its subsidiaries in the event of (i) the resignation, retirement or any termination of the Named Executive Officer's employment with the Corporation and its subsidiaries (whether voluntary, involuntary or constructive), (ii) a change of control of the Corporation or any of its subsidiaries, or (iii) a change in the Named Executive Officer's responsibilities.

## DIRECTOR COMPENSATION

The Corporation had no standard arrangements for compensation of Directors for their services in their capacity as directors or for committee participation, involvement in special assignments or for services as consultants or experts during the year ended November 30, 2017 or subsequently, up to and including the date of this Statement of Executive Compensation, although directors may be compensated on an ad hoc basis, subject to the approval of the other board members, for certain services provided to the Corporation. Directors are eligible to receive grants of stock options pursuant to the Corporation's Stock Option Plan.

During the financial year ended November 30, 2017, the Corporation had seven Directors, three of whom were Named Executive Officers. Compensation for the NEO's, namely Geir Liland and Thomas E. Wharton Jr. have been disclosed above.

The following table sets forth all compensation paid to Directors of the Corporation who were not NEO's during the financial year ended November 30, 2017:

SUMMARY COMPENSATION TABLE

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Peter Leitch <sup>(1)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Larry Copeland <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Brian Paes-Braga <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Carl R. Jonsson <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	\$9,176	\$9,176
Theo Sanidas <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

- (1) Peter Leitch has served as a director since April 27, 2017
- (2) Larry Copeland has served as a director since April 27, 2017
- (3) Brian Paes-Braga served as a director from June 5, 2017 to November 2, 2017
- (4) Carl R. Jonsson served as the Secretary and a director of the Corporation from May 14, 2001 to April 27, 2017 as well as acting as the Corporation's lawyer. The amounts shown as paid to Mr. Jonsson were paid to his law firm. No separate fees were paid to Mr. Jonsson.
- (5) Theo Sanidas served as a director from October 17, 2014 to April 27, 2017

## **OUTSTANDING SHARE-BASED AWARDS AND OPTION BASED AWARDS**

The Corporation has not granted any share-based awards. As at the financial years ended November 30, 2017 no stock options were issued or outstanding. None of the directors of the Corporation exercised any stock options. None of the previously granted stock options held by directors of the Corporation vested during the financial year ended November 30, 2017.

## **INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR**

No stock options or other incentive plan awards were granted to the Director who were not Named Executive Officers during the year ended November 30, 2017.

No stock options that were previously granted to the Directors who were not Named Executive Officers were exercised during the year ended November 30, 2017. The Company has no stock options outstanding.

## **MANAGEMENT CONTRACTS**

Management functions of the Corporation or any of its subsidiaries are not to any substantial degree performed by a person other than the directors or executive officers of the Corporation.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth information with respect to all compensation plans under which equity securities of the Corporation are authorized for issuance as at November 30, 2017.

### **EQUITY COMPENSATION PLAN INFORMATION AS OF NOVEMBER 30, 2017**

<b>Plan Category</b>	<b>A Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>B Weighted average exercise price of outstanding options, warrants and rights</b>	<b>C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	Nil	N/A	7,414,032
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
<b>TOTALS:</b>	<b>Nil</b>	<b>N/A</b>	<b>7,414,032</b>

Note:

- (1) Represents the Stock Option Plan of the Corporation. As at November 30, 2017, the Stock Option Plan reserved shares equal to a maximum of 10% of the issued and outstanding Common Shares from time to time for issue pursuant to the Stock Option Plan.

## **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

Other than "routine indebtedness" as defined in applicable securities legislation, since December 1, 2014, being the beginning of the fiscal year of the Corporation ended November 30, 2017, none of:

- (a) the executive officers, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associates of the foregoing persons;

is or has been indebted to the Corporation or any of its subsidiaries or has been indebted to any other entity where that indebtedness was 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, and which was not entirely repaid on or before the date of this information circular.

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

No person who has been a director, senior officer or insider of the Corporation, no proposed nominee for director and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting other than the election of directors or the approval of the new control person.

### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, "**Informed Person**" means (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed elsewhere in this Information Circular or in the Notes to the Corporation's financial statements for the financial year ended November 30, 2017, none of:

- (a) the Informed Persons of the Corporation;
- (b) the proposed nominees for election as a director of the Corporation; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's financial year ended November 30, 2017 or in any proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

### **FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the period ended November 30, 2017 (the "**Financial Statements**"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, the Auditor's Report thereon together with related Management's Discussion and Analysis for the financial year ended November 30, 2017 are available on SEDAR at [www.sedar.com](http://www.sedar.com). The Notice of Annual General Meeting of Shareholders, Information Circular, Request for Financial Statements and form of Proxy will be available from the Corporation's Registrar and Transfer Agent, TMX Equity Transfer Services, 200 University Avenue, Suite 300, Toronto, Ontario, M5H 4H1, or from the Corporation's head office located at Suite 3123, 595 Burrard Street, PO Box 49139, Bentall Three, Vancouver, British Columbia, V7X 1J1.

### **REQUEST FOR FINANCIAL STATEMENTS**

National Instrument 51-102 "Continuous Disclosure Obligations" sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered shareholders must also provide written instructions in order to receive the Financial Statements.

### **FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS**

The persons named in the enclosed Proxy intend to vote in favour of fixing the number of directors at four. Management is nominating four individuals to stand for election.

Each director of the Corporation is elected annually and holds office until the next annual general meeting of the Shareholders of the Corporation, until his successor is duly elected, or until his resignation as a director.

In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director.

### **INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT**

The following table sets out the names of the persons proposed to be nominated by management for election as a director, the Province and Country in which each person is ordinarily resident, the positions and offices which each presently holds with the Corporation, the period of time for which each person has been a director of the Corporation, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of common shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular.

The nominees for the office of director and information concerning them as furnished by the individual nominees are as follows:

<b>Name, Province or State and Country of Residence, and Position with the Corporation <sup>(1)</sup></b>	<b>Present Principal Occupation, Business or Employment <sup>(1)</sup></b>	<b>Date Served as Director Since</b>	<b>No. of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(1)</sup></b>
Geir Liland British Columbia, Canada  Chief Executive Officer and a Director	Business consultant since 2002.	April 27, 2017	85,000
Peter Leitch British Columbia, Canada  Director	President, North Shore Studios and Mammoth Studios	April 27, 2017	85,000
Larry Copeland British Columbia, Canada  Director	Retired businessman	April 27, 2017	85,000
Jasvir Kaloti British Columbia, Canada  Nominee	VP – Corporate Finance of Fiore Management & Advisory Corp. since July 2015. Corporate Secretary of Lithium X Energy Corp (TSXV: LIX) from November 2015 to March 2018; Chief Financial Officer and Corporate Secretary of Redhill Resources Corp. (TSXV: RHR) from November 27, 2006 to April 4, 2014. Corporate Secretary of Cap-Ex Iron Ore Ltd. (TSXV: CEV) from July 11, 2013 to May 12, 2014	N/A	295,000

*Note:*

(1) *The information as to the Province and Country of residence, principal occupation and shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors individually as of the Record Date of this information circular.*

The Corporation does not currently have an Executive Committee of its Board of Directors. Pursuant to National Instrument 52-110, the Corporation is required to have an Audit Committee of its Board of Directors. The current members of the Audit Committee are Peter Leitch, Geir Liland and Larry Copeland.

Except as disclosed below, none of the proposed nominees for director have been, within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

- (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days;
- (b) while that person was acting in that capacity, was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (c) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has been subject to:
  - (i) 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 since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
  - (ii) 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.

Geir Liland, the Chief Executive Officer and a director of the Corporation, was a director of Pacific Imperial Mines Inc. ("PPM") from April 2004 to November 2014. On November 6, 2008, PPM received a cease trade order issued by the British Columbia Securities Commission for failure to file audited financial statements and Management's Discussion & Analysis for the year ended June 30, 2008. PPM was unable to complete its annual audit as it could not obtain adequate financial information from its wholly-owned subsidiary in China. Effective February 1, 2010, PPM's listing on the TSX-V was transferred to NEX (being the market on which former TSX-V issuers that do not meet TSX-V Tier Maintenance Requirements may continue to trade). The financial statements were filed and the cease trade order was subsequently revoked by the British Columbia Securities Commission on June 25, 2010. PPM shares were reinstated for trading on NEX on October 12, 2010.

Mr. Liland was a director of HSF Capital Corporation ("HSF") from September 2005 until August 2009 when he resigned. On July 20, 2009, HSF, which was a capital pool company listed on the TSX Venture Exchange, was suspended from trading on the Exchange for failing to complete a "Qualifying Transaction" within the required time period under Exchange policies. Effective July 27, 2009, HSF's listing on the TSX Venture Exchange was transferred to NEX

#### **AUDIT COMMITTEE DISCLOSURE**

The charter of the Corporation's audit committee and the other information required to be disclosed by Form 52-110F2 are attached as Schedule "A".

#### **CORPORATE GOVERNANCE**

The information required to be disclosed by National Instrument 58-101 *Disclosure of Corporate Governance Practices* is attached to this information circular as Schedule "B".

#### **APPOINTMENT AND REMUNERATION OF AUDITOR**

Shareholders will be asked to approve the re-appointment of DeVisser Gray LLP, Chartered Accountants, of Vancouver, British Columbia, as the auditor of the Corporation to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the Board of Directors.

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

### ***A. Re-Approval of Rolling Stock Option Plan***

At last year's annual general and special meeting, Shareholders approved the Corporation's 10% "rolling" **Stock Option Plan (the "Stock Option Plan")** dated May 1, 2017, pursuant to which its directors, officers, employees and consultants may be granted options to acquire common shares of the Corporation as an incentive mechanism to foster their interest in the success of the Corporation and to encourage their proprietary ownership of the Corporation.. Under the policies of the TSXV, a rolling stock option plan must be re-approved on a yearly basis by Shareholders.

A copy of the Stock Option Plan is available on request from the Corporation, and copies will be available at the Meeting. Some of the key provisions of the proposed Stock Option Plan are as follows:

- (a) the Stock Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of common shares of the Corporation equal to up to a maximum of 10% of the issued common shares of the Corporation at the time of any stock option grant;
- (b) under Exchange policy, an optionee must either be an Eligible Charitable Organization or a Director, Employee or Consultant of the Corporation at the time the option is granted in order to be eligible for the grant of a stock option to the optionee;
- (c) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued common shares of the Corporation calculated on the date an option is granted to the Person (unless the Corporation has obtained the requisite Disinterested Shareholder Approval);
- (d) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued common shares of the Corporation, calculated at the date an option is granted to the Consultant;
- (e) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date an option is granted to any such Person;
- (f) options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any 3 month period;
- (g) the minimum exercise price per common share of a stock option must not be less than the Market Price of the common shares of the Corporation, subject to a minimum exercise price of \$0.05;
- (h) options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a "blackout period" (see (o) below);
- (i) stock options (other than options held by a person involved in investor relations activities) will cease to be exercisable 90 days after the optionee ceases to be a Director (which term includes a senior officer), Employee, Consultant, Eligible Charitable Organization or Management Company Employee otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board. Stock options granted to persons involved in Investor Relations Activities will cease to be exercisable 30 days after the optionee ceases to serve in such capacity otherwise than by death, or for a "reasonable period" after the optionee ceases to serve in such capacity, as determined by the Board;
- (j) all options are non-assignable and non-transferable;
- (k) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of a stock option if the optionee is an Insider of the Corporation at the time of the proposed amendment;
- (l) the Stock Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares;
- (m) upon the occurrence of an Accelerated Vesting Event (as defined in the Stock Option Plan), the Board will have the power, at its sole discretion and without being required to obtain the approval of shareholders or the holder of any stock option, to make such changes to the terms of stock options as it considers fair and

appropriate in the circumstances, including but not limited to: (a) accelerating the vesting of stock options, conditionally or unconditionally; (b) terminating every stock option if under the transaction giving rise to the Accelerated Vesting Event, options in replacement of the stock options are proposed to be granted to or exchanged with the holders of stock options, which replacement options treat the holders of stock options in a manner which the Board considers fair and appropriate in the circumstances having regard to the treatment of holders of common shares under such transaction; (c) otherwise modifying the terms of any stock option to assist the holder to tender into any take-over bid or other transaction constituting an Accelerated Vesting Event; or (d) following the successful completion of such Accelerated Vesting Event, terminating any stock option to the extent it has not been exercised prior to successful completion of the Accelerated Vesting Event. The determination of the Board in respect of any such Accelerated Vesting Event shall for the purposes of the Stock Option Plan be final, conclusive and binding;

- (n) in connection with the exercise of an option, as a condition to such exercise the Corporation shall require the optionee to pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such option; and
- (o) a stock option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options, subject to the following requirements: (a) the blackout period must (i) be formally imposed by the Corporation pursuant to its internal trading policies; and (ii) must expire upon the general disclosure of undisclosed Material Information; and (b) the automatic extension of an optionee's stock option will not be permitted where the optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities.

"Consultant", "Director", "Disinterested Shareholder Approval", "Eligible Charitable Organization", "Employee", "Investor Relations Activities", "Management Company Employee", "Market Price", "Material Information", "Person" and "Securities Laws" all have the same definition as in the policies of the TSX Venture Exchange.

Management recommends, and the persons named in the enclosed Proxy intend to vote in favour of, and approval of the Stock Option Plan.

The text of the resolution to be passed is as follows. In order to be passed, a majority of the votes cast at the Meeting in person or by Proxy must be voted in favour of the resolution.

**"BE IT RESOLVED THAT** the Corporation's Stock Option Plan dated May 1, 2017 be and is hereby ratified, confirmed and approved with such additional provisions and amendments, provided that such are not inconsistent with the policies of the TSX Venture Exchange, as the directors of the Corporation may deem necessary or advisable."

#### **OTHER MATTERS**

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

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation is provided in the Corporation's comparative financial statements and related Management's Discussion and Analysis for the financial year ended November 30, 2017. Shareholders may contact the Corporation to request copies of financial statements and related Management's Discussion and Analysis at its head office, Suite 3123, 595 Burrard Street, PO Box 49139, Bentall Three, Vancouver, British Columbia, V7X 1J1.

**APPROVAL OF THE DIRECTORS**

The directors of the Corporation have approved the content and the sending of this information circular.

DATED at Vancouver, British Columbia, this 13<sup>th</sup> day of August, 2018.

**DLV RESOURCES LTD.**

*"Geir Liland"*

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Geir Liland  
Chief Executive Officer and a Director

**SCHEDULE "A"**  
**DLV RESOURCES LTD.**  
**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**

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**ITEM 1: THE AUDIT COMMITTEE'S CHARTER (the "Charter")**

**PURPOSE**

The overall purpose of the audit committee (the "**Audit Committee**") of **DLV RESOURCES LTD.** (the "Corporation") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Corporation's board of directors (the "**Board**") that through the involvement of the Audit Committee, the external audit will be conducted independently of the Corporation's management to ensure that the independent auditors serve the interests of shareholders rather than the interests of management of the Corporation. The Audit Committee will act as a liaison to provide better communication between the Board and the external auditors. The Audit Committee will monitor the independence and performance of the Corporation's independent auditors.

**COMPOSITION, PROCEDURES AND ORGANIZATION**

- (1) The Audit Committee shall consist of at least three members of the Board.
- (2) At least two (2) members of the Audit Committee shall be independent and the Audit Committee shall endeavour to appoint a majority of independent directors to the Audit Committee, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Audit Committee members' independent judgment. At least one (1) member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she 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.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.
- (4) Unless the Board shall have appointed a chair of the Audit Committee, the members of the Audit Committee shall elect a chair and a secretary from among their number.
- (5) The quorum for meetings shall be a majority of the members of the Audit Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Audit Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Audit Committee shall be conducted as follows:
  - (a) the Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Audit Committee. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;
  - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Audit Committee; and
  - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

- (8) The internal auditors and the external auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.

#### **ROLES AND RESPONSIBILITIES**

- (1) The overall duties and responsibilities of the Audit Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
  - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
  - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
  - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (2) The duties and responsibilities of the Audit Committee as they relate to the external auditors shall be as follows:
- (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
  - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
  - (c) review the audit plan of the external auditors prior to the commencement of the audit;
  - (d) to review with the external auditors, upon completion of their audit:
    - A. contents of their report;
    - B. scope and quality of the audit work performed;
    - C. adequacy of the Corporation's financial and auditing personnel;
    - D. co-operation received from the Corporation's personnel during the audit;
    - E. internal resources used;
    - F. significant transactions outside of the normal business of the Corporation;
    - G. significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
    - H. the non-audit services provided by the external auditors;
  - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
  - (f) to implement structures and procedures to ensure that the Audit Committee meets the external auditors on a regular basis in the absence of management.
- (3) The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing,

- insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Audit Committee may deem appropriate;
  - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
  - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (4) The Audit Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
  - (b) review and approve the financial sections of:
    - A. the annual report to shareholders;
    - B. the annual information form, if required;
    - C. annual and interim management's discussion and analysis;
    - D. prospectuses;
    - E. news releases discussing financial results of the Corporation; and
    - F. other public reports of a financial nature requiring approval by the Board,
 and report to the Board with respect thereto;
  - (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
  - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
  - (e) review and report on the integrity of the Corporation's consolidated financial statements;
  - (f) review the minutes of any audit committee meeting of subsidiary companies;
  - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
  - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
  - (i) develop a calendar of activities to be undertaken by the Audit Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders.
- (5) The Audit Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
  - (b) to set and pay the compensation for any advisors employed by the Audit Committee; and
  - (c) to communicate directly with the internal and external auditors.

## **ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE**

The current members of the Audit Committee are Peter Leitch, Geir Liland and Larry Copeland. All of the members are financially literate and Peter Leitch and Larry Copeland are each an independent member of the Audit Committee. Peter Leitch is the Chairman of the Audit Committee. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 ("**NI 52-110**") of the Canadian Securities Administrators.

## **ITEM 3: RELEVANT EDUCATION AND EXPERIENCE**

NI 52-110 provides that an individual is "financially literate" if he or she 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.

All of the members of the Corporation's Audit Committee are financially literate as that term is defined in NI 52-110. All members have an understanding of the accounting principles used by the Corporation to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting. In addition to each member's general business experience, the education and experience of each Audit Committee member relevant to the performance of his or her responsibilities as an Audit Committee member is as follows:

Peter Leitch has sat on a number of public, private and non-profit boards. He is the President of North Shore Studios and Mammoth Studios and is currently the Chair of the Audit Committee for a medium sized financial institution as well as Chair of the Motion Picture Production Industry Association of B.C. Mr. Leitch holds a Bachelor of Commerce degree from U.B.C. and is a Chartered Professional Accountant. He also successfully completed his ICD.D course from the Institute of Corporate Directors. Mr. Leitch was honoured with a fellowship by the Institute of Chartered Accountants of B.C. and also awarded a Queens Diamond Jubilee Medal from the Province of B.C.

Geir Liland has acted as a director, officer (including CFO) and audit committee member of several junior public companies for many years, which experience has given him the knowledge required to understand and assess the general application of the accounting principles used by the Corporation and to understand internal controls and procedures for financial reporting.

Larry Copeland holds diplomas in Environmental Health from the B.C. Institute of Technology and Public Sector Management from the University of Victoria. He has held senior positions in management and retired in December 2008 as a Program Director in environmental health. Since that time he completed a 3 month consultancy for the United Nations in Rome, Italy and has completed other missions on their behalf in Cambodia, Lebanon, Thailand and Bhutan. His responsibilities have included senior policy development, employee recruitment, supervision and discipline, budget development and accountability, federal/provincial negotiations and contract management, and public/media relations.

## **ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Corporation's financial year ended November 30, 2017 was a recommendation of the Audit Committee to nominate or compensate an external auditor (currently, DeVisser Gray LLP, Chartered Accountants) not adopted by the Board.

## **ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS**

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in Section 2.4 or Part 8 of NI 52-110, in whole or in part. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Part 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

## **ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES**

Formal policies and procedures for the engagement of non-audit services have yet to be formulated and adopted. Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Board, and where applicable by the Audit Committee, on a case by case basis.

**ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)**

The aggregate fees charged to the Corporation by the external auditor in each of the two fiscal years ended November 30, 2017 and 2016 is as follows:

	<b><u>FYE 2017</u></b>	<b><u>FYE 2016</u></b>
Audit fees for the year ended November 30	\$ 6,500	\$ 8,000
Audit related fees	Nil	Nil
Tax fees	750	1,500
All other fees (non-tax)	Nil	Nil
<b>Total Fees:</b>	<b>\$ 7,250</b>	<b>\$ 9,500</b>

**ITEM 8: EXEMPTION**

In respect of the financial years ended November 30, 2016 and November 30, 2017, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110.

**SCHEDULE "B"**  
**DLV RESOURCES LTD.**  
**FORM 58-101F2**  
**CORPORATE GOVERNANCE DISCLOSURE**

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Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices*, DLV Resources Ltd. (the "**Corporation**") is required to and hereby discloses its corporate governance practices as follows.

**ITEM 1. BOARD OF DIRECTORS**

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

A director is independent if he or she has no direct or indirect material relationship with the Corporation that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment. Applicable securities laws set out certain situations where a director is deemed to have a material relationship with the Corporation.

The board is currently comprised of three (3) directors, two (2) of whom are considered independent under applicable securities laws, namely, Peter Leitch and Larry Copeland. Of the proposed nominees for directors of the Corporation, the Board will consist of four (4) directors, two (2) of whom will be considered independent under applicable securities laws, namely, Peter Leitch and Larry Copeland. Geir Liland is not an independent director under applicable securities laws because of his position as the Chief Executive Officer of the Corporation. Jasvir Kaloti will not be an independent director under applicable securities laws because of her position as the Chief Financial Officer and Corporate Secretary of the Corporation.

**ITEM 2. DIRECTORSHIPS**

The current and proposed directors of the Corporation are currently directors of the following other reporting issuers:

<b>Name</b>	<b>Name of Reporting Issuer</b>
Geir Liland	Adamera Minerals Corp. Oronova Energy Inc.
Peter Leitch	None
Larry Copeland	None
Jasvir Kaloti	None

**ITEM 3. ORIENTATION AND CONTINUING EDUCATION**

The Board of Directors of the Corporation briefs all new directors with the policies of the Board of Directors, and other relevant corporate and business information.

**ITEM 4. ETHICAL BUSINESS CONDUCT**

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.

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a

director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

#### **ITEM 5. NOMINATION OF DIRECTORS**

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders.

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

#### **ITEM 6. COMPENSATION**

The Board of Directors conducts reviews with regard to directors' compensation once a year. To make its recommendation on directors' compensation, the Board of Directors takes into account the types of compensation and the amounts paid to directors of comparable publicly traded Canadian companies.

#### **ITEM 7. OTHER BOARD COMMITTEES**

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

#### **ITEM 8. ASSESSMENTS**

The Board of Directors monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.