

# HIT TECHNOLOGIES INC.

105 – 2050 Scotia Street  
Vancouver, BC V5T 4T1  
Telephone: 604 657-3882

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE** is hereby given that the annual general and special meeting (the "Meeting") of the shareholders of **HIT TECHNOLOGIES INC.** (the "Company"), will be held in the Boardroom at Suite 1120, 625 Howe Street, Vancouver, British Columbia, on **Monday, December 31, 2018, at 10 a.m.** for the following purposes:

1. To receive and consider the audited financial statements of the Corporation for the year ended June 30, 2018 together with auditor's respective reports thereon;
2. To re-appoint the auditor of the Corporation and to authorize the directors to fix the remuneration to be paid to the auditor;
3. To fix the number of directors for the ensuing year at four;
4. To elect directors for the ensuing year;
5. To adopt and approve the Corporation's Stock Option Plan; and
6. To transact such other business as may properly be transacted at such meeting or at any adjournment thereof.

An information circular, containing details of matters to be considered at the Meeting, accompanies this notice.

**A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder's shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the information circular.** As set out in the notes, the enclosed proxy is solicited by management, but you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

DATED at Vancouver, British Columbia, this 30th day of November, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**

**"Brooks Bergreen"**

Brooks Bergreen,  
President, Chief Executive Officer and a Director of the Corporation



# HIT TECHNOLOGIES INC.

105 – 2050 Scotia Street  
Vancouver, BC V5T 4T1  
Telephone: 604 657-3882

## INFORMATION CIRCULAR

(Containing Information as at November 23, 2018, unless otherwise stated)

### **SOLICITATION OF PROXIES**

This Information Circular is furnished in connection with the solicitation of proxies by the management (the "Management") of HIT TECHNOLOGIES INC. (the "Company"), for use at the Annual General and Special Meeting (the "Meeting") of the shareholders (the "Shareholders") of the Company, to be held on Monday, the 31st day of December, 2018, at the time and place and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof. The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

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

The persons named in the accompanying form of proxy (the "Instrument of Proxy") are directors and/or officers of the Company. **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/HER NOMINEE IN THE BLANK SPACE PROVIDED, OR COMPLETE ANOTHER INSTRUMENT OF PROXY. A PROXY WILL NOT BE VALID UNLESS IT IS DEPOSITED WITH THE COMPANY'S REGISTRAR AND TRANSFER AGENT, TSX TRUST COMPANY, 301 – 100 ADELAIDE STREET WEST, TORONTO, ONTARIO, M5H 4H1, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) BEFORE THE TIME OF THE MEETING OR ADJOURNMENT THEREOF.**

The Instrument of Proxy must be signed 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 at the Company's registrar and transfer agent, TSX Trust Company, 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson 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 Instrument of 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 proxy holder 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 Instrument of Proxy enclosed, 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 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 exercised on such matters in accordance with the best judgment of the nominee.

In order to approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an "**Ordinary Resolution**") 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 Company who are also "insiders", as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**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 Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Shareholder by a broker, then, in almost all cases, those common shares will not be registered in the Shareholder's name on the records of the Company. Such common shares will more likely be registered under the 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 The Canadian Depository for Securities, 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 Instrument 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.

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

The Company's authorized capital consists of an unlimited number of common shares ("**Common Shares**") without par value. As at November 23, 2018, the record date of the Meeting (the "**Record Date**"), the Company had 97,191,202 Common Shares issued and outstanding, each Common Share carrying the right to one vote.

Any shareholder of record at the close of business on the Record Date, who either personally attends the Meeting or who has completed and delivered a Proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such Shareholder's shares voted at the Meeting.

To the knowledge of the directors and senior officers of the Company, no Shareholders own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company as at the Record Date, except as follows:

| Name of Shareholder | No. of Shares | Percentage (%) of Ownership <sup>(1)</sup> |
|---------------------|---------------|--|
| Ian Wilkinson       | 13,999,999    | 14.4%                                      |

(1) Based on 97,191,202 common shares issued and outstanding as of the Record Date.

## **EXECUTIVE COMPENSATION**

In accordance with the provisions of applicable securities legislation, the Company had two "named executive officers" during the financial year ended June 30, 2018: Mr. Brooks Bergreen, Chief Executive Officer, and Mr. Michael Liggett, Chief Financial Officer.

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

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

"**CFO**" means an individual who acted as chief financial officer of the company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**closing market price**" means the price at which the company'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 or corporation**" 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 Section 3870 of the Handbook;

"**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 Form 51-102F6, for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

"**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; and

"**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.

## **COMPENSATION DISCUSSION AND ANALYSIS**

This compensation discussion and analysis describes and explains the Company's policies and practices with respect to the 2018 compensation of its named executive officers, being its CEO, Brooks Bergreen, and its CFO, Michael Liggett, each an NEO. No other individuals are considered NEOs as such term is defined in Form 51-102F6 – Statement of Executive Compensation.

### *Compensation Philosophy, Objectives and Process*

The primary goal of the Company's executive compensation process is to attract and retain the key executives necessary for its long-term success, to encourage executives to further the development of the Company and its operations, and to motivate top quality and experienced executives. The Company does not have a formal compensation program. The Board of Directors (the "**Board**") meets to discuss and determine management compensation, without reference to formal objectives, criteria or analysis. The general objectives of the Company's compensation strategy are to (a) compensate management in a manner that encourages and rewards a high level of performance and results with a view to increasing long-term shareholder value; (b) align management's interests with the long-term interests of shareholders; (c) provide a compensation package that is commensurate with other junior mineral exploration companies to enable the Company to attract and retain talent; and (d) ensure that the total compensation package is designed in a manner that takes into account the constraints that the Company is under by virtue of the fact that it is a junior mineral exploration company without a history of earnings. The Board, as a whole, ensures that total compensation paid to all NEOs is fair and reasonable. The Board relies on the experience of its members in assessing compensation levels.

### *Analysis of Elements*

The key elements of executive compensation awarded by the Company are base salary and/or incentive stock options. There is no policy or target regarding cash and non-cash elements of the Company's compensation program. The directors are of the view that all elements should be considered, rather than any single element. Some examples of elements would include without limitation: (a) the Company's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; (b) the current competitive market conditions; (c) the Company's executive performance during the fiscal year; (d) the roles and responsibilities of the Company's Named Executive Officers; (e) the individual experience and skills of, and expected contributions from, the Company's Named Executive Officers; (f) the Company's Named Executive Officers' historical compensation and performance within the Company; and (g) any contractual commitments the Company has made to its Named Executive Officers regarding compensation. The Company does not currently provide the executive officers with personal benefits nor does the Company provide additional compensation to the NEOs for serving as directors or as members of other committees. Base salary is not evaluated against a formal "peer group".

## **STOCK OPTIONS**

The Company has a stock option plan (the "**Plan**") for the granting of stock options to the directors, officers and consultants of the Company. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating such persons and to closely align the personal interest of such persons to that of the Company's Shareholders. The allocation of options under the Plan is determined by the Board which, in determining such allocations, considers such factors as previous grants to individuals, overall company performance, peer company performance, share price performance, the business environment and labour market, the role and performance of the individual in question and, in the case of grants to non-executive directors, the amount of time directed to the Company's affairs and time expended for serving on the Company's audit committee.

**NEO SUMMARY COMPENSATION TABLE**

| NEO Name and Principal Position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|---------------------------------|------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Brooks Bergreen<br>CEO          | 2018 | 75,000  | -          | -                              | -                         | -                                    | 75,000                  |
|                                 | 2017 | 75,000  | -          | -                              | -                         | -                                    | 75,000                  |
| Michael Liggett<br>CFO          | 2018 | 32,117  | -          | -                              | -                         | -                                    | 32,117                  |
|                                 | 2017 | 60,628  | -          | -                              | -                         | -                                    | 60,628                  |

**NEO INCENTIVE PLAN AWARDS**

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets out certain information respecting each NEO's share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year.

| 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                  |
| Brooks Bergreen<br>CEO  | Stock options                 | 1,117,894 / 16.1%   | Sep 22, 2014                 | 0.25                                     | 0.25   | 0.03  | Sep 22, 2024                 |
| Michael Liggett<br>CFO  | Stock options                 | 112,500 / 1.6%<br>250,000 / 3.6%  | Nov 28, 2014<br>Sep 21, 2017 | 0.60<br>0.05                             | 0.60<br>0.05   | 0.03<br>0.03  | Nov 28, 2020<br>Sep 21, 2019 |

(1) Based on 6,927,394 incentive stock options issued and outstanding as of June 30, 2018.

The following table sets forth information concerning all awards exercised during the most recently completed financial year ended June 30, 2018, for each named executive officer:

| COMPENSATION SECURITIES |                               |   |                                  |                  |   |  |                                   |
|-------------------------|-------------------------------|---|----------------------------------|------------------|---|--|-----------------------------------|
| Name and position       | Type of compensation security | Number of underlying securities exercised | Exercise price per security (\$) | Date of exercise | Closing price of security or underlying security on date of exercise (\$) | Difference between exercise price and closing price on date of exercise (\$) | Total value on exercise date (\$) |
| Brooks Bergreen<br>CEO  | Stock options                 | Nil                                       | Nil                              | Nil              | Nil   | Nil  | Nil                               |
| Michael Liggett<br>CFO  | Stock options                 | Nil                                       | Nil                              | Nil              | Nil   | Nil  | Nil                               |

### Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out certain information respecting the value of each NEO's share-based and option-based awards that became vested or were earned during the most recently completed financial year.

| Name            | Option-based awards<br>–Value vested during the year <sup>(1)</sup><br>(\$) | Share-based awards<br>–Value vested during the year<br>(\$) | Non-equity incentive plan<br>compensation<br>–Value earned during the year<br>(\$) |
|-----------------|---|---|--|
| Brooks Bergreen | Nil   | Nil   | Nil  |
| Michael Liggett | 10,700  | Nil   | Nil  |

(1) Deemed fair value of options granted during the fiscal year, based on the fair value model.

### Narrative Discussion

The grant of stock options to NEO's pursuant to the Plan is discussed above under the heading "Stock Options."

### NEO TERMINATION AND CHANGE OF CONTROL BENEFITS

There are no provisions in any contract, agreement, plan or arrangement that provides for payments to an NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control in the Company or a change in the NEO's responsibilities.

### DIRECTOR COMPENSATION

#### Director Compensation Table

The following table sets out certain information respecting the compensation paid to directors of the Company who were not NEO's during the Company's most recently completed financial year:

**DIRECTORS COMPENSATION TABLE**

| Director Name and Principal Position | Year | Salary, consulting fee, retainer or commission (\$) | Bonus (\$) | Committee or meeting fees (\$) | Value of perquisites (\$) | Value of all other compensation (\$) | Total compensation (\$) |
|--------------------------------------|------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Robert Chase                         | 2018 | Nil   | Nil        | 24,000                         | Nil                       | Nil                                  | 24,000                  |
| Ian Wilkinson                        | 2018 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |

### Narrative Discussion

Except as stated herein, there were no arrangements under which directors of the Company who were not NEO's were compensated by the Company or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors or consultants other than a daily rate charged by the Chairman for time spent representing the Company in his capacity as Chairman.

The Company has the Plan for the granting of incentive stock options to the directors, officers, key employees and consultants. The purpose of granting options pursuant to the Plan is to assist the Company in compensating, attracting, retaining and motivating the directors, officers, key employees and consultants of the Company and to closely align the personal interests of such persons to that of the shareholders. For further details as to the specific terms of the Company's proposed stock option plan, see below under the heading "Particulars of Other Matters to be Acted Upon – Confirmation of Rolling Stock Option Plan".

**SHARE-BASED AWARDS, OPTION-BASED AWARDS AND NON-EQUITY INCENTIVE PLAN COMPENSATION**

**Outstanding Share-Based Awards and Option-Based Awards**

The following table sets out certain information respecting share-based and option-based awards outstanding at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, for the directors of the Company who were not NEO's.

| COMPENSATION SECURITIES |                               |  |  |  |  |  |  |
|-------------------------|-------------------------------|--|--|--|--|--|--|
| Name and position       | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage <sup>(1)</sup> 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 <sup>(2)</sup> (\$) | Expiry date                                  |
| Robert Chase            | Stock Options                 | 250,000 / 3.6%<br>75,000 / 1.1%<br>262,000 / 3.8%  | Sep 21, 2017<br>Nov 17, 2015<br>Jan 19, 2015 | 0.05<br>0.17<br>0.60                     | 0.05<br>0.17<br>0.60   | 0.03<br>0.03<br>0.03   | Sep 21, 2020<br>Nov 17, 2021<br>Jan 19, 2021 |
| Ian Wilkinson           | Stock Options                 | 75,000 / 1.1%<br>75,000 / 1.1%   | Sep 21, 2017<br>Nov 17, 2015                 | 0.05<br>0.17                             | 0.05<br>0.17   | 0.03<br>0.03   | Sep 21, 2020<br>Nov 17, 2021                 |

(2) Based on 6,927,394 incentive stock options issued and outstanding as of June 30, 2018.

The following table sets forth information concerning all awards exercised during the most recently completed financial year ended June 30, 2018, for each director of the Company other than the Named Executive Officers of the Company.

| COMPENSATION SECURITIES |                               |   |                                  |                  |   |  |                                   |
|-------------------------|-------------------------------|---|----------------------------------|------------------|---|--|-----------------------------------|
| Name and position       | Type of compensation security | Number of underlying securities exercised | Exercise price per security (\$) | Date of exercise | Closing price of security or underlying security on date of exercise (\$) | Difference between exercise price and closing price on date of exercise (\$) | Total value on exercise date (\$) |
| Robert Chase            | Stock Options                 | Nil                                       | Nil                              | Nil              | Nil   | Nil  | Nil                               |
| Ian Wilkinson           | Stock Options                 | Nil                                       | Nil                              | Nil              | Nil   | Nil  | Nil                               |

**Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets out certain information respecting the value of share-based and option-based awards that became vested or were earned during the most recently completed financial year for the directors of the Company who were not NEO's.

| Name          | Option-based awards – Value <sup>(1)</sup> vested during the year (\$) | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|---------------|--|--|--|
| Robert Chase  | 13,967   | Nil  | Nil  |
| Ian Wilkinson | 3,340  | Nil  | Nil  |

(1) Deemed fair value of options granted during the fiscal year, based on the fair value model.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION**

The following table sets forth information with respect to all compensation plans under which equity securities are authorized for issuance as of June 30, 2018:

**EQUITY COMPENSATION PLAN INFORMATION**

| <b>Plan Category</b>   | <b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b> | <b>Weighted-average exercise price of outstanding options, warrants and rights</b> | <b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b> |
|--|--|--|--|
|  | (a)  | (b)  | (c)  |
| <b>Equity compensation plans approved by securityholders</b>     | 6,927,394  | 0.15   | 2,488,453  |
| <b>Equity compensation plans not approved by securityholders</b> | Nil  | N/A  | Nil  |
| <b>TOTAL</b>   | 6,927,394  | N/A  | 2,488,453  |

(1) The foregoing information is presented as of June 30, 2018.

(2) Represents the Plan of the Company, which reserves a number of common shares equal to 10% of the then outstanding common shares from time to time for issue pursuant to stock options.

For further information on the Plan, refer to the heading "Confirmation of Rolling Stock Option Plan."

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As of the date hereof, other than indebtedness that has been entirely repaid on or before the date of this information circular or "routine indebtedness" as defined in Form 51-102F5 of National Instrument 51-102 none of:

- a) the individuals who are, or at any time since the beginning of the last financial year of the Company were, a director or executive officer of the Company;
- b) the proposed nominees for election as a director of the Company; or
- c) any associates of the foregoing persons,

is, or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any subsidiary of the Company, or is a person whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any subsidiary of the Company.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

For purposes of the following discussion, "Informed Person" means (a) a director or executive officer of the Company; (b) a director or executive officer of a person or company that is itself an Informed Person or a subsidiary of the Company; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent (%) of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Company 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 below, elsewhere herein or in the Notes to the Company's financial statements for the financial year ended June 30, 2018, none of:

- the Informed Persons of the Company;
- the proposed nominees for election as a director of the Company; or
- any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Company or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

**MANAGEMENT CONTRACTS**

Management functions of the Company and any subsidiary thereof are not, to any substantial degree, performed other than by directors or executive officers of the Company or any subsidiary thereof.

**FINANCIAL STATEMENTS**

The audited financial statements of the Company as at and for the period ended June 30, 2018 (the "**Financial Statements**"), together with the Auditor's Report thereon, will be presented to Shareholders at the Meeting. The Financial Statements, together with the Auditor's Report thereon and the Company's Management Discussion and Analysis, are being mailed only to those Shareholders who are on the supplemental mailing list maintained by the Company's registrar and transfer agent. Copies of the Financial Statements, together with the Auditor's Report thereon and the Company's Management Discussion and Analysis, Notice of Meeting, Information Circular and Proxy will be available on the SEDAR website at www.sedar.com and the Company's office at 105 – 2050 Scotia Street, Vancouver, BC V5T 4T1.

**ELECTION OF DIRECTORS**

The persons named in the enclosed Instrument of Proxy intend to vote in favour of fixing the number of directors at four (4). Although Management is nominating four (4) individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of Shareholders or until his successor is duly elected, if his office is earlier vacated, in accordance with the Articles of the Company.

In the absence of instructions to the contrary, the Common 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 or state and country in which he is ordinarily resident, the positions and offices which each presently holds with the Company, the period of time for which he has been a director of the Company, the respective principal occupations or employment during the past five years if such nominee is not presently an elected director and the number of shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular. The three nominees are all currently directors of the Company.

| Name, Province and Country of Ordinary Residence and Positions Held with the Company <sup>(1)</sup> | Principal Occupation                                 | Date First Became a Director | No. of Shares Beneficially Owned, Directly or Indirectly <sup>(2)</sup> |
|---|--|------------------------------|---|
| <b>BROOKS BERGREEN</b><br>Vancouver, BC, Canada<br>CEO, President and Director                      | President, CEO and Director of HIT Technologies Inc. | June 10, 2015                | 6,784,654   |
| <b>IAN WILKINSON<sup>(3)</sup></b><br>Vancouver, BC, Canada   | President and CEO of Hothead                         | June 10, 2015                | 13,399,999  |

| Name, Province and Country of Ordinary Residence and Positions Held with the Company <sup>(1)</sup> | Principal Occupation   | Date First Became a Director | No. of Shares Beneficially Owned, Directly or Indirectly <sup>(2)</sup> |
|---|--|------------------------------|---|
| Director  |  |                              |   |
| <b>MICHAEL LIGGETT</b> <sup>(3)</sup><br>Vancouver, BC, Canada<br>CFO and Director                  | CFO and Directors of HIT Technologies Inc.; CFO of Eacom Timber Corp. from 2008 to 2011  | June 10, 2015                | 1,100,000   |
| <b>ROBERT CHASE</b> <sup>(3)</sup><br>Vancouver, BC, Canada<br>Director                             | Chair of the board of directors of MediaValet Inc.; previously the director and chairman of the audit committee of PNI from 2013 to 2014; previously the COO of Absolute from 2010 to 2014 | June 10, 2015                | 1,207,344   |

(1) The information as to the province and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually as of the record date of this information circular.

(2) The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors.

(3) Proposed Member of the Audit Committee.

The Company does not currently have an Executive Committee of its Board of Directors. The current members of the Audit Committee are: Michael Liggett, Ian Wilkinson and Robert Chase. After the Meeting, the members of the Audit Committee are proposed to be: Michael Liggett, Ian Wilkinson and Robert Chase.

Biographical information regarding the nominees is set out below. Please see Schedule "A" (Audit Committee Disclosure - Item 3 Relevant Education and Experience) above for biographical information regarding Michael Liggett, Robert Chase and Ian Wilkinson.

**Brooks Bergreen.** Brooks Bergreen is an adventurer and technology entrepreneur, and the founder of HIT Technologies Inc. He brings extensive experience building teams across diverse businesses including hardware and software design, e-commerce, marketing, film production and satellite communications. Previously, Mr. Bergreen designed, delivered and maintained satellite communications and defence projects in excess of \$40 million in Afghanistan for the US Department of Defence, Canadian Department of National Defence and other NATO countries, non-government organizations and media outlets. Mr. Bergreen is also the founder of 3World Media (www.3world.ca), a film production company, and creator of two award-winning documentaries.

None of the proposed nominees for directorship have, 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 their assets.

No proposed director (including any personal holding company of a proposed director), is:

- (1) as at the date of the 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:
  - A. was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer;
  - B. was subject to an order that was issued after such person 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 a director, chief executive officer or chief financial officer;

- (2) as at the date of the 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:
- A. is, as at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company (including the Company) that, 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;
  - B. 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
  - C. 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.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity.

#### **AUDIT COMMITTEE DISCLOSURE**

The charter of the Company's audit committee and the other information required to be disclosed by Form 52-110F2 is attached to this Information Circular 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 AUDITORS**

Management recommends the re-appointment of PricewaterhouseCoopers LLP, Chartered Professional Accountants, of 250 Howe St. Suite 700, Vancouver, BC V6C 3S7, as auditors for the Company, to hold office until the next Annual General Meeting of the Shareholders at a remuneration to be fixed by the Board of Directors, and the persons named in the enclosed Proxy intend to vote in favour of such re-appointment. PricewaterhouseCoopers LLP have acted as the Company's auditor since June 10, 2015. MNP LLP was previously the auditor of the Company from April 4, 2014 to June 10, 2015.

#### **MANAGEMENT CONTRACTS**

The Company is not a party to a management contract with anyone other than directors or executive officers of the Company.

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

### **CONFIRMATION OF ROLLING STOCK OPTION PLAN**

Under the policies of the TSX Venture Exchange (the "**Exchange**"), a rolling stock option plan must be re-approved on a yearly basis by shareholders.

Accordingly, Shareholders will be asked to pass an ordinary resolution approving the Plan, to accommodate the Exchange's new policies governing stock option plans. The details of the Plan are set forth below. Management recommends, and the persons named in the enclosed form of proxy intend to vote in favour of, the re-approval of the Plan.

- the Plan reserves, for issue pursuant to stock options, a maximum number of common shares equal to 10% of the outstanding Common Shares of the Company from time to time, with no mandatory vesting provisions;
- the number of Common Shares reserved for issue to any one person in any 12 month period under the Plan may not exceed 5% of the outstanding Common Shares at the time of grant without Disinterested Shareholder Approval (as defined in Policy 4.4 of the Exchange);
- the number of Common Shares reserved for issue to any Consultant (as defined by the Exchange) in any 12 month period under the Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- the aggregate number of Common Shares reserved for issue to any Employee (as defined by the Exchange) conducting Investor Relations Activities (as defined by the Exchange) in any 12 month period under the Plan may not exceed 2% of the outstanding Common Shares at the time of grant;
- the exercise price per Common Share for a stock option may not be less than the Discounted Market Price (as calculated pursuant to the policies of the Exchange);
- stock options may have a term not exceeding ten years;
- if an optionee ceases to be an Eligible Person (as defined by the Exchange), each option held by such optionee shall terminate no later than the earlier of the Expiry Date and the date which is 30 days after such event, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after such event, and further provided that the Board may, in its discretion, on a case-by-case basis and only with the approval of the Exchange, further extend the date of such termination and the resulting period in which such Option remains exercisable to a date exceeding the date which is after twelve months of such event;
- stock options are non-assignable and non-transferable; and
- the Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of stock options in the event of a share consolidation, split, reclassification or other relevant change in the common shares, or an amalgamation, merger or other relevant change in the Company's corporate structure, or any other relevant change in the Company's capitalization.

Pursuant to the Board of Directors' authority to govern the implementation and administration of the Plan, all previously granted and outstanding stock options shall be governed by the provisions of the Plan.

A copy of the Plan is available on request from the Company.

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 or in person or by proxy must be voted in favour of the resolution. The persons named in the enclosed Proxy intend to vote for such resolution:

**"BE IT RESOLVED THAT** the Company's Stock Option Plan dated November 23, 2018, 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 Exchange, as the directors of the Company may deem necessary or advisable."

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company's Financial Statements and Management Discussion and Analysis may be obtained without charge upon request from the Company, at 105 – 2050 Scotia Street, Vancouver, BC V5T 4T1, Telephone: 604 657-3882 and such documents will be sent by mail or electronically by email as may be specified at the time of the request.

**DIRECTOR APPROVAL**

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

DATED at Vancouver, British Columbia, this 30th day of November, 2018.

**HIT TECHNOLOGIES INC.**

***“Brooks Bergreen”***

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**BROOKS BERGREEN**  
President & CEO

**SCHEDULE "A"**  
**HIT TECHNOLOGIES INC.**  
**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**

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**ITEM 1: THE AUDIT COMMITTEE'S CHARTER**

**Purpose**

The overall purpose of the Audit Committee (the "**Committee**") of HIT TECHNOLOGIES INC. (the "**Company**") is to ensure that the Company's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Company, and to review the Company'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 Board that through the involvement of the Committee, the external audit will be conducted independently of the Company's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Company. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Company's independent auditors.

**Composition, Procedures and Organization**

- (1) The Committee shall consist of at least three members of the Board of Directors (the "**Board**").
- (2) At least two (2) members of the Committee shall be independent<sup>1</sup> and the Committee shall endeavour to appoint a majority of independent directors to the Committee subject to NI 52-110 (as defined herein), who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Company. 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 Company's financial statements.
- (3) All of the members of the Committee shall be "financially literate"<sup>2</sup>.
- (4) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (5) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.
- (6) The quorum for meetings shall be a majority of the members of the 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.
- (7) The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

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<sup>1</sup> "Independent" member of an audit committee means a member who has no direct or indirect material relationship with the Company. A "material relationship" means a relationship which could, in the view of the Company's Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

<sup>2</sup> "Financially literate" individual is an individual who 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 Company's financial statements.

- (8) Meetings of the Committee shall be conducted as follows:
- (A) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
  - (B) the external auditors shall receive notice of and have the right to attend all meetings of the Committee;
  - (C) management representatives may be invited to attend all meetings except private sessions with the external auditors; and
  - (D) the proceedings of all meetings will be minuted.
- (9) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.
- (10) Any member of the Committee may be removed or replaced at any time by the Board and shall cease to be a member of the Committee on ceasing to be a director. The Board may fill vacancies on the Committee by election from among its number. If and whenever a vacancy shall exist on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office. Subject to the above, each member of the Committee shall hold office as such until the next Annual General Meeting of the Shareholders after his/her election.
- (11) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

### **Roles and Responsibilities**

- (12) The overall duties and responsibilities of the Committee shall be as follows:
- (A) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
  - (B) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
  - (C) to ensure that the management of the Company 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.
- (13) The duties and responsibilities of the 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 Company, 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) approve in advance provision by the external auditors of services other than auditing;
  - (E) to review with the external auditors, upon completion of their audit:

- (i) contents of their report;
  - (ii) scope and quality of the audit work performed;
  - (iii) adequacy of the Company's financial and auditing personnel;
  - (iv) co-operation received from the Company's personnel during the audit;
  - (v) internal resources used;
  - (vi) significant transactions outside of the normal business of the Company;
  - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
  - (viii) the non-audit services provided by the external auditors;
- (F) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles;
- (G) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management; and
- (H) review any significant disagreements between management and the external auditor regarding financial reporting.
- (14) The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:
- (A) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
  - (B) review and approve the internal audit plan; and
  - (C) review significant internal audit findings and recommendations, and management's response thereto.
- (15) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:
- (A) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
  - (B) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
  - (C) periodically review the Company'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.
- (16) The Committee is also charged with the responsibility to:
- (A) review the Company'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:

- (i) the annual report to Shareholders;
  - (ii) the annual information form, if required;
  - (iii) annual and interim MD&A;
  - (iv) prospectuses;
  - (v) news releases discussing financial results of the Company; and
  - (vi) 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 Company's consolidated financial statements;
- (D) review the appropriateness of the policies and procedures used in the preparation of the Company'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 Company's consolidated financial statements;
- (F) establish procedures for:
- (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;
- (G) 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;
- (H) review and recommend updates to the charter and receive approval of changes from the Board;
- (I) review the minutes of any audit committee meeting of subsidiary companies;
- (J) 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 Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (K) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
- (L) perform other functions as requested by the full Board.
- (17) The 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 Committee; and
  - (C) to communicate directly with the internal and external auditors.

## ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Michael Liggett, Ian Wilkinson and Robert Chase. All of the members are financially literate, and each of Ian Wilkinson and Robert Chase are considered independent. "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 Company's financial statements.

All of the current members of the Company'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 Issuer to prepare its financial statements and have an understanding of its internal controls and procedures for financial reporting.

**Michael Liggett.** Michael Liggett has over 18 years of financial experience in public companies, completing over \$300 million in equity and debt financing and approximately \$200 million in merger and acquisition transactions. Previously, Mr. Liggett acted as Chief Financial Officer of Eacom Timber Corporation ("**Eacom**"), a start-up softwood lumber company listed on the TSXV. Prior to Eacom, Mr. Liggett acted as the Chief Financial Officer of Inflazyme Pharmaceuticals Ltd. ("**Inflazyme**"), an early stage company focused on research and development for new drugs in inflammation. At Inflazyme, Mr. Liggett structured the largest life sciences strategic partnership in Canada at that time and completed over \$100 million in private placements and secondary offerings and listed the company on the Toronto Stock Exchange. Mr. Liggett is a Chartered Professional Accountant and worked for PwC prior to joining Inflazyme.

**Ian Wilkinson.** Ian Wilkinson has served as the President and Chief Executive Officer of Hothead Games Inc. ("**Hothead**") since March 2009. Mr. Wilkinson currently sets strategy for Hothead and has full profit and loss responsibility. He oversees Hothead's investor relations, finance, business development, marketing, and production functions. Previously, Mr. Wilkinson co-founded Radical Entertainment Inc. ("**Radical**") in September 1991 where he served as President and Chief Executive Officer from 1991 until 2006. During that time, Mr. Wilkinson built Radical into one of the largest and most successful independent game development companies in the world. Mr. Wilkinson sold Radical to Vivendi Games (now Activision Blizzard) in 2006. In Mr. Wilkinson's prior executive roles, he participated in the design, establishment and implementation of executive and non-executive compensation and benefit programs. Mr. Wilkinson is the former Chairman of New Media BC, past winner of Ernst and Young Entrepreneur of the Year (Media and Entertainment), former Advisory Board Member for the BC Institute of Technology and a former Advisor to the BC Advanced Systems Institute. Mr. Wilkinson earned an Honours Business Administration Degree from Western University.

**Robert Chase.** Robert Chase currently serves as chairman of the board of directors of MediaValet Inc. (TSXV: MVP) ("**MediaValet**"), a Vancouver based technology start-up in the digital asset management space, providing software-as-a-service, cloud-based business-to-business solutions. Mr. Chase served as the Chief Operating Officer at Absolute Software Corporation ("**Absolute**") from June 2010 to June 2014 and as Chief Financial Officer of Absolute from June 2000 to June 2010. Absolute develops and markets a leading Software-as-a-Service solution for computing device management and data security for both the consumer and enterprise market segments. In this role, Mr. Chase was responsible for guiding Absolute's global business strategy and development. From February 2013 to July 2014, Mr. Chase served on the board of directors and as chairman of the audit committee of PNI Digital Media, Inc. ("**PNI**"). PNI provides an omni-channel photo printing and e-commerce platform-as-a-service that supports the on-line photo and gift business for world's largest retailers. Mr. Chase was instrumental in helping management return the company to growth and to regain shareholder support. In Mr. Chase's prior executive and director roles, he participated in the design, establishment and implementation of executive and non-executive compensation and benefit programs. Mr. Chase holds a Bachelor of Business Administration from Simon Fraser University, a Chartered Accountant designation and an Institute of Corporate Directors designation.

**ITEM 4: AUDIT COMMITTEE OVERSIGHT**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently PricewaterhouseCoopers LLP) not adopted by the Board.

**ITEM 5: 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 or 8 of NI 52-110. 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. Section 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 Company's Board of Directors, 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 Company by the external auditor in each of the last two fiscal years is as follows:

|  | <b><u>FYE 2018</u></b>  | <b><u>FYE 2017</u></b> |
|--|-------------------------|------------------------|
| Audit Costs for the year ended   | \$40,000 <sup>(1)</sup> | \$40,000               |
| All other fees (non-tax) Assistance with Quarterly Report Preparation: | Nil                     | Nil                    |
| <b>Total Fees:</b>   | <b>\$40,000</b>         | <b>\$40,000</b>        |

*(1) Estimated.*

**ITEM 8: EXEMPTION**

In respect of the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

**SCHEDULE "B"**  
**HIT TECHNOLOGIES INC.**  
**FORM 58-101F2**  
**CORPORATE GOVERNANCE DISCLOSURE**

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Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* the Company is required to and hereby discloses its corporate governance practices as follows.

**ITEM 1. BOARD OF DIRECTORS**

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

Ian Wilkinson, a director of the Company, is "independent" in that he is independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings.

Robert Chase, a director of the Company, is "independent" in that he is independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Company, other than the interests and relationships arising from shareholdings.

Brooks Bergreen, the CEO, President, and a director of the Company, is not independent.

Michael Liggett, the CFO, Corporate Secretary and a director of the Company, is not independent.

**ITEM 2. DIRECTORSHIPS**

The directors of the Company are currently directors of the following other reporting issuers:

| <b>Name of Director</b> | <b>Name of Reporting Issuer</b> | <b>Term</b>        |
|-------------------------|---------------------------------|--------------------|
| Robert Chase            | MediaValet Inc.                 | Mar 2015 - present |
| Michael Liggett         | iCo Therapeutics Inc.           | Jan 2017 - present |

**ITEM 3. ORIENTATION AND CONTINUING EDUCATION**

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company 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 Company or an affiliate of the Company, (ii) is for indemnity or insurance for the benefit of the director in connection with the Company, or (iii) is with an affiliate of the Company. 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 Company at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Company 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 Company 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 the shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, shown support for the Company'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.

