



## **CT DEVELOPERS LTD.**

155 VINE AVENUE  
TORONTO ON, M6P 1V9

### **INFORMATION CIRCULAR**

as at July 11, 2017

**THIS INFORMATION CIRCULAR (THE “CIRCULAR”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF CT DEVELOPERS LTD. (THE “COMPANY”) FOR USE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) OF THE COMPANY TO BE HELD AT 36 TORONTO STREET, SUITE 1000, TORONTO, ONTARIO, CANADA AT 1:00 P.M. (EASTERN TIME), ON TUESDAY, AUGUST 15 2017, OR AT ANY ADJOURNMENTS THEREOF, FOR THE PURPOSES SET FORTH IN THE ACCOMPANYING NOTICE OF MEETING.**

In this Information Circular, references to “the Company”, “we”, “our” and “CT” refer to CT Developers Ltd. “Common Shares” of “Shares” means common shares in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

### **GENERAL PROXY INFORMATION**

#### **Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. All costs of solicitation of proxies by management will be borne by the Company.

#### **Appointment of Proxyholders**

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

#### **Voting by Proxyholder**

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

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors,
- (b) any amendment to or variation of any matter identified therein, and
- (c) any other matter that properly comes before the Meeting.

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Shares represented by the Proxy for the approval of such matter.**

#### **Registered Shareholders**

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by:

- (a) completing, dating and signing the enclosed form of proxy and returning it to the Company’s transfer agent, Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail or by hand to the 9th Floor, 100 University Avenue, Toronto, Ontario, Canada, M5J 2Y1;

- (b) using a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed Proxy form for the toll free number, the holder's account number and the Proxy access number; or
- (c) using the internet through the website of the Company's transfer agent at [www.computershare.com/ca/proxy](http://www.computershare.com/ca/proxy). Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy access number;

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

### **Beneficial Shareholders**

The following information is of significant importance to shareholders of the Company who do not hold Shares in their own name. Beneficial shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Shares).

If Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Shares will not be registered in the shareholder's name on the records of the Company. Such Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In the United States the vast majority of such Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many United States brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from beneficial shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

#### ***If you are a Beneficial Shareholder:***

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Shares are voted at the Meeting.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote on your behalf. Many brokers delegate responsibility for obtaining instructions from clients to an investor communication service ("ICS") in Canada/ the United States. The ICS will typically mail a voting instruction form in lieu of a Proxy provided by the Company. The voting instruction form will name the same persons as the Company's Proxy to represent you at the Meeting. You have the right to appoint a person (who need not be a Beneficial shareholder of the Company), other than the persons designated in the voting instruction form, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative in the blank space provided in the voting instruction form. The completed voting instruction form must then be returned to the ICS by mail or facsimile or given to the ICS by phone or over the internet, in accordance with the ICS's instructions. The ICS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **If you receive a voting instruction form from an ICS, you cannot use it to vote Shares directly at the Meeting - the voting instruction form must be completed and returned to the ICS, in accordance with its instructions, well in advance of the Meeting in order to have the Shares voted.**

Although as a Beneficial shareholder you may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxy holder for your broker and vote your Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Shares as proxy holder for your broker, or have a person designated by you do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the voting instruction form provided to you and return the same to your broker in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Shares.

This Information Circular and related material is being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you,

your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

By choosing to send these materials to you directly the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in your request for voting instructions.

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a Proxy may revoke it by:

- (a) executing a Proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the registered shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare Investor Services Inc., by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, or by mail or by hand at 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, or at the address of the registered office of the Company at Suite 1400 – 1125 Howe Street, Vancouver, B. C., V6Z 2K8, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Shares.

A revocation of a Proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting.

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

The Board of Directors of the Company (the "**Board**") has fixed July 11, 2017, as the record date (the "**Record Date**") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Shares voted at the Meeting.

The Company is authorized to issue an unlimited amount of Shares, and as of the Record Date, there were 4,827,500 Shares issued and outstanding, each carrying the right to one vote. There are 1,030,000 Shares held in escrow which are subject to trading restrictions. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to Shares.

To the knowledge of the directors and executive officers of the Company the following are the registered holders of shares carrying more than 10% of the voting rights:

<b>Shareholder Name</b>	<b>Number of Shares Held</b>	<b>Percentage of Issued Shares</b>
CDS & CO	3,777,500	78.25%

Note:

- (1) CDS & CO is a share depository, the beneficial ownership of which is unknown to the Company.
- (2) The above information was supplied by the Company's transfer agent, Computershare Investor Services Inc.

### **Share Holdings of Persons Soliciting Proxies**

The Board of Directors and Officers of the Company are soliciting proxies by issuance of the within Information Circular. Those persons, their present offices, and their beneficial ownership of shares of the Company, direct and indirect, are as follows:

<u>Name</u>	<u>Office</u>	<u>Share Position<sup>(1)</sup></u>
Norman Eyolfson	President, CEO, CFO, Director	50,000
Richard Buzbuzian	Secretary, Treasurer, Director	75,000
Terry Christopher	Director	130,000
Jason Monaco	Director	275,000

(1) These numbers do not include warrants or options that are currently exercisable.

### FINANCIAL STATEMENTS

The following documents filed with the securities commissions or similar regulatory authority in Alberta, British Columbia, Ontario and Nova Scotia should be read in conjunction with this Information Circular.

- the Company's most recent audited financial statements for the year ended June 30, 2016, and the report of the Company's auditor thereon attached hereto as Schedule "A".
- management and discussion analysis, attached hereto as Schedule "B".

Copies of the referenced documents may also be obtained by a shareholder upon request without charge from Norman Eyolfson, President and a director of the Company, at 155 Vine Avenue, Toronto, Ontario, M6P 1V9. These documents are also available through the Internet on SEDAR, which can be accessed at [www.SEDAR.com](http://www.SEDAR.com).

The audited financial statements of the Company for the year ended June 30, 2016 the report of the Company's auditor thereon and related management discussion and analysis will be placed before the Meeting. Copies of these documents will be available at the Meeting.

### VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election than there are vacancies to fill, or if there is more than one auditor nominated, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### ELECTION OF DIRECTORS

At the Meeting four (4) persons will be proposed by management for election to the Board of directors. Prior to the next annual general meeting of shareholders, the number of directors comprising the Board can be increased to a maximum of five (5) directors but shall not consist of fewer than three (3) directors.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the *Canada Business Corporations Act*, each director elected will hold office until the conclusion of the next general meeting of the Company, or until a successor is elected or herby resigns.

The following table sets out the names of management's nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

**MANAGEMENT NOMINEES**

<b>Name of Nominee; Current Position with the Company and Province and Country of Residence<sup>(1)</sup></b>	<b>Occupation, Business or Employment</b>	<b>Period as a director of the Company</b>	<b>Shares Beneficially Owned or Controlled<sup>(1) (3)</sup></b>
Norman Eyolfson President, Chief Executive Officer, Chief Financial Officer, Director Ontario, Canada	President, CEO, CFO and Director of the Company; Marketing Consultant; President, 843314 Ontario Inc.; Director, Zonte Metals Inc.;	April 1, 2011 to present	50,000
Richard Buzbuzian <sup>(2)</sup> Secretary, Treasurer, Director Ontario, Canada	President and director, Drone Delivery Canada Corp.; Director, CT Developers Ltd; President and CEO, Oriana Resources Corp.	April 1, 2011 to present	75,000
Terry Christopher <sup>(2)</sup> Director Nova Scotia, Canada	President and CEO, Zonte Metals Inc., Director, CT Developers Ltd, Director, Oriana Resources Corp;	April 1, 2011 to present	130,000
Jason Monaco <sup>(2)</sup> Director Ontario, Canada	Principal, First Canadian Capital Markets, Director, Zonte Metals Inc., Director, Oriana Resources Corp	April 1, 2011 to present	275,000

Notes:

- (1) The information as to principal occupation, business or employment and share ownership is not within the knowledge of the management of the Company and has been furnished by the respective nominees themselves.
- (2) Member of the Audit Committee.
- (3) These figures do not include warrants or stock options that are currently exercisable.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the other directors and senior officers of the Company acting solely in their management capacity.

No proposed nominees for election as a director of the Company is, or within 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company (including the Company) that is, or has been, or acted in that capacity for a company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; 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.

No proposed nominees for election as a director of the Company is, or within 10 years before the date of this Information Circular, has been bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became 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.

## COMPENSATION OF EXECUTIVE OFFICERS

### Form 51-102F6V Disclosure

#### Statement of Executive Compensation

##### Executive Compensation

In this section “**Named Executive Officer**” means the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed fiscal year of June 30, 2016, and whose total salary and bonus exceeds \$150,000, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year end.

Norman Eyolfson is a Named Executive Officer of the Company for the purposes of the following disclosure. Compensation was not paid to the Named Executive Officer during the Company’s three most recently completed financial years.

##### Compensation Discussion and Analysis

Currently, under the NEX rules, the Company does not make compensation payments to its executive officers or directors. Likewise, the Company has not yet set any parameters concerning the objectives of future compensation policies. The Company will disclose such policies in accordance with prevailing legislation at such time as they are implemented.

##### Compensation Governance

Please refer to the discussion titled “Compensation” under “Corporate Governance”.

##### Table of compensation excluding compensation securities

The following table sets for all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company any subsidiary thereof to each NEO and each director of the Company, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and in-direct pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to the Company or any subsidiary thereof:

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Norman Eyolfson CEO, CFO Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Richard Buzbuzian Secretary, Treasurer, Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Terry Christopher Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Jason C. Monaco Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

### Stock Options and Other Compensation Securities

The Company did not grant compensation securities to any director or NEO of the Company or any subsidiary thereof in the year ended June 30, 2016, for services provided, or to be provided, directly, to the Company or any subsidiary thereof.

#### Exercise of Stock Options

During the financial year ended June 30, 2016, no directors or NEO's of the Company exercised compensation Securities.

#### Stock Option Plans and Other Incentive Plans

Please refer to the discussion titled "Plan Summary" under "Particulars of Matters to be Acted Upon" for a full summary of the material terms of Company's Stock Option Plan.

#### Securities Authorized for Issuance under Equity Compensation Plans

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the ended June 30, 2016.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	482,750	N/A	482,750
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	482,750		482,750

### PENSION PLAN BENEFITS

Due to its early stage of development, the Company does not presently provide for payments or benefits at, following, or in conjunction with retirement.

### TERMINATION AND CHANGES OF CONTROL BENEFITS

Due to its early stage of development, the Company does not presently provide any benefits upon termination or a change of control.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company, were indebted to the Company as of the end of the Company's most recently completed financial year or as at the date hereof.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

An informed person is one who, generally speaking, is a director or executive officer or a 10% shareholder of the Company. To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the Company's most

recently completed financial year ended June 30, 2016, or has any interest in any material transaction in the current year other than as set out herein.

### **MANAGEMENT CONTRACTS**

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

### **APPOINTMENT OF AUDITOR**

D&H Group LLP, Chartered Professional Accountants, 10<sup>th</sup> Floor, 1333 West Broadway, Vancouver, British Columbia, Canada, V6H 4C1, will be nominated at the Meeting for reappointment as auditors of the Company at remuneration to be fixed by the directors. D&H Group LLP, Chartered Professional Accountants, was first appointed auditors of the Company on April 5, 2011.

### **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR**

At the Meeting, the shareholders will be called upon to re-appoint D&H Group LLP, Chartered Professional Accountants as auditors of the Company, to hold office until the next annual general meeting of the Company, at a remuneration to be fixed by the directors.

National Instrument 52-110 of the Canadian Securities Administrators (“**NI 52-110**”) requires the Company, as a Venture Issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee (“**Audit Committee**”) and its relationship with its independent auditor, as set forth in the following:

#### **The Audit Committee’s Charter**

The Company has an Audit Committee Charter which is attached as Schedule “C” to this Information Circular.

#### **Composition of the Audit Committee**

The members of the Company’s Audit Committee are Richard Buzbuzian, Terry Christopher, and Jason Monaco.

Terry Christopher and Jason Monaco are independent members of the Audit Committee. A member is considered independent if he 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, reasonably interfere with the exercise of a member’s independent judgement.

All members are financially literate. A member is considered 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 can reasonably be expected to be raised by the Company.

#### **Relevant Education and Experience**

Each member of the Company’s Audit Committee has adequate education and experience have provided the member with:

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

The following describes the relevant education or experience of each Audit Committee member:

#### **Richard Buzbuzian**

During the past 15 years, Richard Buzbuzian has held various senior executive positions as both a principal and an advisor to public and private companies. His business expertise in the metals and mining industry includes backgrounds in corporate finance, business development, and investor relations. Mr. Buzbuzian was a director and Chief Operating Officer of the Griffin Corporation – (GRN.TSXV) from 1998 to 2002 and was a director of Armada Data Corp. (ARD.TSXV) from

1999 to 2009. Mr. Buzbuzian is also currently the President and CEO of Drone Delivery Canada Corp. (FLT.CSE) and Oriana Resources Corporation (OUP.H. TSXV).

### **Terry Christopher**

Terry Christopher is currently the President, CEO and a director of Zonte Metals Inc., an exploration company focused on gold. Mr. Christopher served as a director of Rhino Resources until the Company completed its Qualifying Transaction with Immunovaccine Inc. Mr. Christopher also served as the Chief Geoscientist for Linear Gold Corp., a mineral exploration company and as the Chief Geoscientist for Nayarit Gold Inc. from 2007 to 2010. Mr. Christopher has a Ph.D. in Geochemistry and a BSc. (Hons) in Geology from the Department of Earth Sciences, Memorial University, Newfoundland. Mr. Christopher also sits on the Board of Directors of Oriana Resources Corporation.

### **Jason Monaco**

Mr. Monaco is co-founder of the First Canadian Group of Companies. The First Canadian Group of Companies comprises: First Canadian Capital Markets Ltd., First Canadian Capital Corp., FC Financial Group Ltd. and Mortgage Cents Inc. He is presently a director of Zonte Metals Inc. and a director of Oriana Resources Corp.

### **Audit Committee Oversight**

The Audit Committee has not found it necessary to make any recommendations to the Board to nominate or compensate any external auditor.

### **Reliance on Certain Exemptions**

The Company's auditors, D&H Group LLP, Chartered Professional Accountants, have not provided any material non-audit services.

### **Pre-Approval Policies and Procedures**

The Audit committee has not adopted specific policies and procedures for the engagement of non-audit services.

### **External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audited services provided to the Company to ensure auditor independence. Fees incurred for audit and non-audit services in the last two fiscal years for audit fees are outlined in the following table.

<b>Nature of Services</b>	<b>Fees Billed by Auditor in Year Ended June 30, 2016</b>	<b>Fees Billed by Auditor in Year Ended June 30, 2015</b>
Audit Fees <sup>(1)</sup>	\$8,500	\$8,756
Audit-Related Fees <sup>(2)</sup>	\$0	\$0
Tax Fees <sup>(3)</sup>	\$1,150	\$3,965
All Other Fees <sup>(4)</sup>	\$0	\$0
<b>Total</b>	<b>\$9,650</b>	<b>\$12,721</b>

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services.

## **Exemption**

The Company qualified to rely upon the exemption in section 6.1 of NI 52-110 in respect of the composition of its Audit Committee, and in respect of its reporting obligations under NI 52-110; however it seeks to maintain fundamental compliances with those provisions.

## **CORPORATE GOVERNANCE**

### **General**

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the “CSA”) have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices*, which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company’s approach to corporate governance and addresses the Company’s compliance with NI 58-101.

### **Board of Directors**

Directors are considered to be independent if they have neither a direct nor an indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The Board facilitates its independent supervision over management by having regular Board meetings and by establishing and implementing prudent corporate governance policies and procedures in accordance with NI 58-101.

The independent members of the Board are Terry Christopher and Jason Monaco.

### **Directorships**

Norman Eyolfson is also a director of Zonte Metals Inc. which is listed on the TSX Venture Exchange.

Richard Buzbuzian is also a director of Drone Delivery Canada Corp. which is listed on the CSE and Oriana Resources Corporation which is listed on the TSX Venture Exchange.

Terry Christopher is also a director of Zonte Metals Inc. and Oriana Resources Corporation, both of which are listed on the TSX Venture Exchange.

Jason Monaco is also a director of Zonte Metals Inc. and Oriana Resources Corporation, both of which are listed on the TSX Venture Exchange.

### **Orientation and Continuing Education**

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company’s properties, business, technology and industry and on the responsibilities of directors.

While the Company does not have any formal orientation and training programs, new Board members are provided with:

- (a) information respecting the functioning of the Board and its committees and copies of the Company’s corporate governance policies;
- (b) access to recent, publicly filed documents of the Company, technical reports and the Company’s internal financial information;
- (c) access to management and technical experts and consultants; and
- (d) a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars. Board members have full access to the Company’s records.

Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business.

### **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 directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

### **Nomination of Directors**

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. The Board does not have a Nominating Committee, and these functions are currently performed by the Board as a whole. The nominees are generally the result of recruitment efforts by individual Board members.

### **Compensation**

The Board does not have a Compensation Committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the requirements of the Company, this policy will be reviewed.

The Board periodically reviews the compensation paid to directors, management, and employees based on such factors as time commitment and level of responsibility, comparative fees paid by other companies in the industry in North America and the Company's current position as a development company without operating revenue.

### **Other Board Committees**

The Board does not currently have a Corporate Governance Committee, and these functions are currently performed by the Board as a whole.

### **Assessments**

The Board monitors but does not formally assess the performance of individual Board members or Committee members or their contributions.

## **PARTICULARS OF MATTERS TO BE ACTED UPON STOCK OPTION PLAN**

The Exchange requires each listed company to have a stock option plan.

Under the Company's stock option plan (the "**Stock Option Plan**" or "**Plan**"), a maximum of 10% of the issued and outstanding Shares of the Company at the time an option is granted, less shares outstanding in the Stock Option Plan, will be reserved for options to be granted at the discretion of the Company's board of directors to eligible optionees (the "**Optionees**").

The following information is intended as a brief description of the Plan, and is qualified in its entirety by reference to the Plan itself.

### **PLAN SUMMARY (a copy of the full Plan is attached hereto as Schedule "D")**

The Plan is administered by the Board of Directors of the Company, but may be administered by a special committee of directors if one is appointed by the Board of Directors. The aggregate number of Shares that may be reserved for issuance under the Plan shall not exceed ten percent (10%) of the issued and outstanding Shares of the Company from time to time. The number of Shares subject to an option to a participant shall be determined by the Board of Directors, but no participant shall be granted an option which exceeds the maximum number of shares permitted by the Exchange or any stock exchange on which the Shares are then listed, or other regulatory body having jurisdiction.

The exercise price of the Shares covered by each option shall be determined by the Board of Directors, provided that the exercise price shall not be less than the price permitted by the Exchange or any stock exchange on which the Shares are then listed, or other regulatory body having jurisdiction.

The maximum term of an option is ten (10) years, provided that participant's options expire ninety (90) days after his ceasing to act for the Company, except upon the death of a participant, in which case his estate shall have twelve (12) months in which to exercise the outstanding options.

No options are transferable or assignable.

Subject to the approval of the Exchange, the Board of Directors has the discretion to amend or terminate the Plan; however, no amendment shall alter the terms of any outstanding options without the consent of the optionees concerned.

### **APPROVAL OF THE PLAN**

In accordance with Exchange Policy 4.4, Shareholders will be asked to consider and, if thought advisable, approve an ordinary resolution to ratify, confirm and approve the Plan.

The directors of the Company believe the Plan is in the Company's best interest and recommend that the Shareholders approve the Plan. All proxies received will be voted in favour of approving the Plan, unless a proxy contains instructions to the contrary. Greater than 50% of the votes of Shareholders present in person or by proxy are required to approve the Plan. The proposed Plan resolution (the "**Plan Resolution**") is as follows:

#### **"BE IT RESOLVED AS A RESOLUTION OF THE SHAREHOLDERS OF THE COMPANY THAT:**

1. The incentive stock option plan of the Company (the "**Plan**"), in the form attached to the Information Circular as Schedule "D", be ratified, confirmed and approved subject to applicable regulatory approval;
2. The form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the Shareholders of the Company;
3. All options outstanding under the Plan or any previous form of stock option plan shall remain valid and outstanding and be governed by the terms of the applicable previous form of stock option plan as it existed when they were granted;
4. Any director or officer be authorized to execute and deliver all such deeds, documents and other writings and perform such acts as may be necessary in order to give effect to the adoption of the Plan and the Board of Directors of the Company from time to time, be authorized to grant options in the capital stock of the Company pursuant to and in accordance with the provisions of the Plan so adopted; and
5. Notwithstanding the approval of the shareholders of the Company as herein provided, the Board of Directors of the Company may, in its sole discretion, at any time suspend or terminate the Plan or revoke this resolution before it is acted upon, without further approval of the Shareholders of the Company.

### **ADDITIONAL INFORMATION**

The audited financial statements of the Company for the year ended June 30, 2016 and the report of the auditor thereon will be available for review by shareholders at the Meeting. A copy of the audited financial statements of the Company for the year ended June 30, 2016 and the report of the auditor thereon may be obtained by a shareholder free of charge from the Company upon request.

Information relating to the Company may be obtained by a shareholder upon request without charge from the Company at 155 Vine Street, Toronto, Ontario, M6P 1V9; telephone: (416) 884-8601. Information is also available on SEDAR, which can be accessed at [www.SEDAR.com](http://www.SEDAR.com).

### **OTHER MATTERS**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the Shares represented by the Proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by Proxy.

Matters which may properly come before the Meeting shall be any matter not effecting a change in the constating documents of the Company or disposing of all or substantially all of the assets of the Company.

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

*It is important that your Shares be represented at this Meeting to ensure a quorum. If you cannot be present to vote in person, please ensure that your proxy or, if a corporation, your representative, is appointed and present to vote on your behalf at the Meeting. Instructions regarding the appointment of a proxy or representative are contained in the Information Circular.*

**Dated** at Toronto, Ontario, Canada, on this 11<sup>th</sup> day of July, 2017.

**By Order of the Board of Directors of CT Developers Ltd.**

*“Norman Eyolfson”*

**NORMAN EYOLFSON**

**The Company's most recent audited financial statements for the year ended June 30, 2016, and the report of the Company's auditor thereon attached hereto as Schedule "A".**

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CT Developers Ltd.  
Financial Statements  
June 30, 2016 and 2015  
(Expressed in Canadian dollars)

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## Independent Auditor's Report

To the Shareholders of CT Developers Ltd.

We have audited the accompanying financial statements of CT Developers Ltd., which comprise the statements of financial position as at June 30, 2016 and June 30, 2015, and the statements of comprehensive loss, statements of changes in equity and statements of cash flows for the years ended June 30, 2016 and June 30, 2015, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of CT Developers Ltd. as at June 30, 2016 and June 30, 2015, and its financial performance and its cash flows for the years ended June 30, 2016 and June 30, 2015 in accordance with International Financial Reporting Standards.

### Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about CT Developers Ltd.'s ability to continue as a going concern.

Vancouver, B.C.  
October 27, 2016

*"D&H Group LLP"*

Chartered Professional Accountants

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# CT Developers Ltd.

## Statements of Financial Position

(Expressed in Canadian dollars)

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	June 30, 2016 \$	June 30, 2015 \$
<b>Assets</b>		
Current assets		
Cash (Note 7)	64,221	152,061
Amounts receivable	<u>4,528</u>	<u>23,803</u>
	68,749	175,864
<b>Liabilities</b>		
Current liabilities		
Amounts payable and accrued liabilities	<u>8,839</u>	<u>52,047</u>
<b>Shareholders' equity</b>		
Common shares (Note 3)	736,909	736,909
Share-based payments reserve (Note 3)	79,183	79,183
Retained earnings (deficit)	<u>(756,182)</u>	<u>(692,275)</u>
	<u>59,910</u>	<u>123,817</u>
	68,749	175,864

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*The accompanying notes are an integral part of these financial statements.*

These financial statements were approved for issue by the Board of Directors on October 27, 2016 and are signed on its behalf by:

Approved by the Board           "Norman Eyolfson"          , Director           "Richard Buzbuzian"          , Director

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# CT Developers Ltd.

Statements of Comprehensive Loss  
Years ended June 30, 2016 and 2015  
(Expressed in Canadian dollars)

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	2016	2015
	\$	\$
Expenses		
Bank charges	112	112
Legal and accounting fees	38,486	80,775
Office	13,560	2,165
Regulatory fees	5,962	6,135
Transfer agent	<u>5,787</u>	<u>7,012</u>
Net and comprehensive income (loss) for the year	(63,907)	(96,199)
Retained earnings (deficit), beginning of year	<u>(692,275)</u>	<u>(596,076)</u>
Retained earnings (deficit), end of year	(756,182)	(692,275)
Net income (loss) per share, basic and diluted	(0.01)	(0.02)
Weighted average number of common shares outstanding	4,827,500	4,827,500

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*The accompanying notes are an integral part of these financial statements.*

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# CT Developers Ltd.

## Statements of Changes in Equity

Years ended June 30, 2016 and 2015

(Expressed in Canadian dollars)

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	Common shares		Share-based payments reserve \$	Retained earnings (deficit) \$	Total equity \$
	Number of shares	Amount \$			
Balance at June 30, 2014	4,827,500	736,909	79,183	(596,076)	220,016
Net income (loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96,199)</u>	<u>(96,199)</u>
Balance at June 30, 2015	4,827,500	736,909	79,183	(692,275)	123,817
Net income (loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,907)</u>	<u>(63,907)</u>
Balance at June 30, 2016	4,827,500	736,909	79,183	(756,182)	59,910

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*The accompanying notes are an integral part of these financial statements.*

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# CT Developers Ltd.

## Statements of Cash Flows

Years ended June 30, 2016 and 2015

(Expressed in Canadian dollars)

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	2016	2015
	\$	\$
Cash flows from (used in) operating activities		
Net income (loss) for the year	(63,907)	(96,199)
Changes in non-cash working capital		
Decrease (increase) in		
Amounts receivable	19,275	10,948
Increase (decrease) in		
Amounts payable and accrued liabilities	<u>(43,208)</u>	<u>(33,241)</u>
	(87,840)	(118,492)
Cash flows from (used in) investing activity		
Loan (advanced) recovered	<u>-</u>	<u>250,000</u>
Increase (decrease) in cash during the year	(87,840)	131,508
Cash, beginning of year	<u>152,061</u>	<u>20,553</u>
Cash, end of year	64,221	152,061

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*The accompanying notes are an integral part of these financial statements.*

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian dollars)

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### 1. Nature of operations

CT Developers Ltd. (the "Company") was incorporated under the *Canada Business Corporations Act* (Canada) on April 1, 2011. On November 17, 2011 the Company completed its initial public offering and on November 23, 2011 the Company listed its common shares on the TSX Venture Exchange ("TSXV") as a capital pool company. On November 26, 2013 trading of the Company's common shares on the TSXV was suspended for failure to complete a Qualifying Transaction within the prescribed time. Effective August 19, 2014 the Company's common share listing was transferred to the NEX Board of the TSXV. Upon transition, the Company's trading symbol was changed from DEV.P to DEV.H. The head office of the Company is located at 155 Vine Avenue, Toronto, Ontario, Canada, M6P 1V9.

As at June 30, 2016, the Company had no business operations. As a CPC, the Company's business objective is to identify and evaluate assets or businesses with a view to potential acquisition or participation by completing a Qualifying Transaction (as defined in Exchange Policy 2.4) subject, in certain cases, to shareholder approval and acceptance by the Exchange. The Company has neither a history of earnings nor has it paid any dividends and it is unlikely to pay dividends or enjoy earnings in the immediate or foreseeable future. There is no assurance that the Company will identify and successfully acquire businesses or assets that will produce a profit. Moreover, if a potential business or asset is identified which warrants acquisition or participation, additional funds may be required to complete the acquisition or participation and the Company may not be able to obtain such financing on terms which are satisfactory to the Company.

These financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company is not expected to continue operations for the foreseeable future. As at June 30, 2016, the Company has working capital of \$ 59,910, incurred accumulated losses amounting to \$ 756,182, has not completed a Qualifying Transaction, and expects to incur further losses in the development of its business, all of which casts substantial doubt about the Company's ability to continue as a going concern. The Company's ability to continue as a going concern is dependent upon its ability to complete or develop a business, generate future profitable operations and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due. These financial statements do not give effect to adjustments that would be necessary to their reported carrying values and classifications of assets and liabilities should the Company be unable to continue as a going concern.

### 2. Summary of significant accounting policies

#### Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

#### Basis of measurement

The Company's financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian dollars)

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### 2. Summary of significant accounting policies - continued

#### Income taxes

Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

#### Share-based payments

The fair value, at the grant date, of equity-settled share awards is charged to comprehensive loss over the period from which the benefits of employees and others providing similar services are expected to be received. The corresponding accrued entitlement is recorded in the share based payments reserve. The fair value of awards is calculated using an option pricing model which considers the following factors:

§ Exercise price	§ Expected life of the award
§ Expected volatility	§ Current market price of the underlying shares
§ Risk-free interest rate	§ Expected forfeitures

#### Financial instruments

##### *Financial assets*

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables or at fair value through profit or loss.

Financial assets classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). Cash is classified as fair value through profit or loss.

Financial assets classified as loans and receivables and held-to-maturity are measured at amortized cost. Amounts receivable is classified as loans and receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At June 30, 2016 the Company has not classified any financial assets as available-for-sale.

Transaction costs associated with fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

##### *Financial liabilities*

All financial liabilities are initially recorded at fair value and designated upon inception as fair value through profit or loss or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Amounts payable and accrued liabilities are classified as other financial liabilities.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian dollars)

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### 2. Summary of significant accounting policies - continued

Financial liabilities classified as fair value through profit or loss are measured at fair value with unrealized gains and losses recognized through comprehensive income (loss). At June 30, 2016 the Company has not classified any financial liabilities as fair value through profit or loss.

#### Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

#### Revenue recognition

Interest income is recognized as earned, provided that collection is assessed as being reasonably assured.

#### Related parties

Related parties are parties that have the ability to control or to exercise significant influence over the Company.

#### Critical judgments and sources of estimation uncertainty

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### *Critical judgments*

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

- (i) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

#### *Estimation uncertainty*

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

- (i) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian dollars)

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### 2. Summary of significant accounting policies - continued

#### Loss per share

Basic and diluted loss per share is determined by dividing the loss attributable to common shareholders by the weighted average number of common shares outstanding during the reporting period. Diluted loss per share is not separately presented, as the effect of securities exercisable into common shares would reduce the amount presented as loss per share.

#### New IFRS standards not yet adopted

The Company has not yet adopted certain new IFRS standards, amendments and interpretations to existing standards, which have been published but are only effective for its annual period beginning after July 1, 2016. These include:

*IFRS 9 - Financial instruments.* IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit and loss. IFRS 9 also replaces the models for measuring equity instruments, and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. This standard is required to be applied for the Company's accounting period beginning on January 1, 2018. Earlier adoption is permitted. The Company has not yet determined the impact of the amendments to IFRS 9 on its unaudited condensed interim financial statements.

### 3. Capital and reserves

At June 30, 2016, the Company's authorized share capital consisted of an unlimited number of common shares without par value. All issued common shares are fully paid.

During the year ended June 30, 2016 no share capital transactions occurred

As at June 30, 2016 1,030,000 common shares were held in escrow. The escrow shares will be released over a thirty-six month period commencing upon completion of a Qualifying Transaction and may not be transferred, assigned or otherwise dealt without consent of the securities regulatory authorities.

### 4. Share-based compensation

The Company has adopted a share option plan (the "Plan"), under which stock options may be awarded to directors, officers, employees and consultants at the discretion of the Board of Directors. The maximum number of share options that may be issued under the Plan shall be 10% of the issued and outstanding common shares of the Company on the date of grant. Share options awarded under the Plan may be exercisable for up to ten years at exercise prices determined by the Board of Directors at the time of award. The exercise prices shall not be less than market value.

No share options were awarded during the years ended June 30, 2016 and 2015.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian dollars)

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### 4. Share-based compensation - continued

The following summarizes information about share options outstanding at June 30, 2016:

Expiry date	Number of outstanding and exercisable	Exercise price \$
November 17, 2016	255,000	0.20
March 28, 2017	<u>195,000</u>	0.25
	<u>450,000</u>	

The weighted average exercise price, as at June 30, 2016, of share options awarded and outstanding is \$ 0.22.

### 5. Financial instruments

Financial instruments consist of cash, amounts receivable and amounts payable and accrued liabilities:

(a) Fair value

The carrying value of cash, amounts receivable and amounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.

(b) Credit risk

Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations to the Company. The Company's credit risk is primarily attributable to cash and amounts receivable. The maximum potential loss on all financial instruments is equal to the carrying amount of those items.

### 6. Capital risk management

The Company manages, as capital, the components of shareholders' equity and its cash. The Company's objectives, when managing capital, are to safeguard its ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk.

The Company manages its capital structure, and makes adjustments to it, in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue common shares, borrow or adjust the amount of cash. The Company does not anticipate the payment of dividends in the foreseeable future.

The Company's policy is to invest its cash in highly liquid, short-term, interest-bearing investments with maturities of 90 days or less from the date of acquisition.

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# CT Developers Ltd.

## Notes to the Financial Statements

June 30, 2016 and 2015

(Expressed in Canadian dollars)

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### 7. Cash restriction

The proceeds raised from the issuance of common shares may only be used to identify and evaluate assets or businesses for future investment, with the exception that up to 30% of the gross proceeds may be used to cover prescribed costs of issuing the common shares or administrative and general expenses of the Company. These restrictions apply until the completion of a Qualifying Transaction by the Company, as defined under policy 2.4 of the Exchange.

### 8. Income taxes

The provision for income taxes differs from the amount that would have been obtained by applying the statutory income tax rate of 26% (2015 - 26%) to the Company's net loss. The difference results from the following items:

	2016 \$	2015 \$
Expected income tax expense (recovery)	(16,600)	(25,000)
Unrecognized benefit of loss carryforwards	<u>16,600</u>	<u>25,000</u>
Provision for income taxes (recovery)	-	-

The income tax effects of temporary differences that give rise to significant components of deferred income tax assets and liabilities are as follows:

	2016 \$	2015 \$
Deferred income tax assets and liabilities are as follows:		
<i>Deferred income tax assets</i>		
Non-capital loss carry-forwards	185,000	169,000
Valuation allowance	<u>(185,000)</u>	<u>(169,000)</u>
	-	-

The Company has non-capital losses for income tax purposes of approximately \$ 713,700 available to reduce future years' taxable income. The benefit of these non-capital losses has not been recognized in the Company's accounts as it is not probable such benefit will be realized. The non-capital losses expire between the 2031 and 2036 fiscal years.

### 9. Related party disclosures

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by three individuals as well as certain persons performing similar functions.

During the year ended June 30, 2016 the Company paid \$ 13,560 (2015 - \$ Nil) for rent, office and professional fees to a corporation controlled by a director.

**Management and discussion analysis, attached hereto as Schedule “B”.**

# **CT Developers Ltd.**

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## **MANAGEMENT DISCUSSION & ANALYSIS**

**For The Twelve Months Ended June 30, 2016**

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Date: October 28, 2016

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2016

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### Notice to Reader

The accompanying financial statements of CT Developers Ltd. for the period from July 1, 2015 to June 30, 2016 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company.

The following Management's Discussion and Analysis ("MD&A") of CT Developers Ltd. ("CT" or the "Company") should be read in conjunction with the financial statements of the Company for the period from July 1, 2015 to June 30, 2016, and is based on information available to October 1, 2016. Amounts herein are expressed in Canadian dollars except where indicated otherwise and the financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information regarding the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **FORWARD-LOOKING INFORMATION**

Except for the historical statements contained herein, this Management's Discussion and Analysis presents certain "forward-looking statements", within the meaning of Canadian securities legislation, that involve inherent risks and uncertainties. In general, these forward-looking statements can be identified by the use of prospective terminology such as "plans", "expects" or "does not expect", "is expected", "proposed" "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements. Although the management and officers of the Company believe that the expectations reflected in such forward-looking statements are based upon reasonable assumptions, and have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2016

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### *COMPANY OVERVIEW*

CT Developers (“CT” or the “Company”) was incorporated under the Canada Business Corporations Act (Canada) on April 1, 2011 and is classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (the “TSX-V” or the “Exchange”) Policy 2.4. The principal business of the Company is to identify and evaluate opportunities for the acquisition of an interest in assets or a business, and, once identified, to negotiate an acquisition or participation within 24 months of listing on the Exchange. The Company’s principle business and operations to date have been limited to raising equity through the issuance of common shares and to identifying its Qualifying Transaction.

The Company initially raised \$150,000 through the issuance of common shares in early 2011 to fund its operations, which at this time principally consists of identifying and completing a Qualifying Transaction. On November 17, 2011 the Company raised additional funds by closing its initial public offering (“IPO”). As part of the IPO the Company issued 3,000,000 common shares at \$0.20 per share for gross proceeds of \$600,000 (the “Offering”) bringing the total funds raised to date at \$750,000. The Company paid to the agent a commission of \$60,000 and issued 250,000 share purchase warrants exercisable for \$0.20 per share for 24 months from the date of listing. The Company also paid all costs and expenses related to the offering. In conjunction with the Offering, the common shares of the Company were listed for trading on the TSX-V with the trading symbol “DEV.P”. Concurrent with the completion of the IPO, stock options were granted to directors and officers of the Company to purchase up to 255,000 common shares at \$0.20 per share. The options are exercisable for five years from the date the Company was listed on the Exchange.

On March 29, 2012 the Company granted 195,000 stock options to directors and officers of the Company to purchase at \$0.25 per share. The options granted were issued in accordance with the terms of the Company's 10-per-cent rolling stock option plan.

On June 8, 2012 the Company announced the closing of a non-brokered private placement and issued 577,500 common shares at a price of \$0.20 cents per share for aggregate gross proceeds of \$115,500. Finders' fees of \$3,700 were paid in cash and 6,500 finder warrants exercisable for 12 months at \$0.20 per warrant have been issued to qualified parties.

On May 18, 2012, the Company announced that it had agreed to acquire the shares of Viscount Mining Ltd. (“Viscount”). The shares of the Company were halted from trading pending completion of the transaction. The Agreement with Viscount and its shareholders lapsed and was renewed several times. After a period of careful consideration, the Board of Directors of CT determined that the transaction with Viscount would not be renewed.

On January 4, 2013 the Company announced the termination of the Agreement with Viscount. The shares of the Company were subsequently reinstated for trading upon approval by the TSX-V.

On September 9, 2013, the Company signed a letter of intent with Bee Vectoring Technology Inc. (“BVT”). The Company’s shares were halted by the exchange pending completion of the transaction.

On October 9, 2013, the Company executed a definitive share exchange agreement with BVT and its Shareholders.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2016

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On November 26, 2013 trading of the Company's common shares on the TSX-V were suspended for failure to complete a Qualifying Transaction within the prescribed time.

On January 8, 2014 the Company announced it had loaned BVT \$100,000 and intended on advancing BVT a further \$150,000 to be secured by a general security agreement over the assets and undertaking of BVT.

On March 10, 2015 the Company announced by way of news release the termination of the proposed transaction with BVT.

On June 30, 2015 the Company recovered the advances aggregating \$250,000 made to BVT.

On June 27, 2014 the Company returned 500,000 shares to treasury and the number of issued and outstanding shares was reduced to 4,827,500 common shares from 5,327,500 common shares. According to the policies of the Exchange, the Company was required to complete its Qualifying Transaction by February 25, 2014. This did not occur and, as a result, Exchange policy required the Company to transfer its listing to the NEX board of the Exchange and cancel one-half of the escrow shares which were originally issued to the founders of the Company at a discount from the IPO price.

On August 15, 2014, the Company's common share listing was transferred to the NEX board of the TSX-V. Upon transition, the Company's trading symbol was changed from DEV.P to DEV.H. The Company's shares remained suspended from trading pending completion of a qualifying transaction or reinstatement by the Exchange.

On June 10, 2016 the Company's shares were reinstated for trading on the NEX board of the TSX Venture Exchange under the trading symbol "DEV.H"; the Company continues to search for a qualifying transaction.

The Company has not had operations since its incorporation on April 1, 2011 and has no source of revenue. Its expenditures to date are largely related to the costs of maintaining a public company in good standing and costs incurred to identify and evaluate potential acquisitions or businesses with a view to completing its Qualifying Transaction (as defined in the policies of the Exchange).

Full details are available in the Company's Filing Statement, which may be viewed at [www.SEDAR.com](http://www.SEDAR.com).

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2016

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### *Selected Annual Information*

The following table outlines selected financial information for the years ended June 30, 2016, 2015 and 2014. The financial information is extracted from the Company's audited financial statements. The Company's financial statements have been prepared in accordance with International Financial Reporting Standards for the years ended June 30, 2016, 2015 and 2014. All amounts are in Canadian dollars, unless otherwise stated.

	For the year ended June 30, 2016	For the year ended June 30, 2015	For the year ended June 30, 2014
Revenue	\$ -	\$ -	\$ -
Net Loss and Comprehensive Loss	(\$67,093)	(96,199)	(338,702)
Basic and diluted loss per share	(\$ 0.01)	(\$ 0.02)	(\$ 0.06)
Working Capital	\$ 56,724	\$ 123,817	\$ 29,984
Total Assets	\$ 64,221	\$ 175,864	\$ 305,304
Non-current financial liabilities	\$ -	\$ -	\$ -

The Company has earned no revenues, other than interest income on term deposits, since incorporation. The Company has no revenues and incurred a loss of \$67,093 for the twelve months ended June 30, 2016. As at June 30, 2016, the Company had total cash of \$64,221 on hand and working capital of \$56,724.

### ***RESULTS OF OPERATIONS***

CT is a CPC and has no business operations. Until such time as the Company completes a Qualifying Transaction, corporate expenditures will be restricted to the costs of raising equity financing, administrative costs to maintain the Company in good standing and those costs necessary to identify and evaluate potential Qualifying Transactions.

The Company incurred a loss of \$67,094, for the period ended June 30, 2016. That compares to a loss of \$96,199 for the period ended June 30, 2015. The Company had no revenues for the years ended June 30, 2016, June 30, 2015 and June 30, 2014.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2016

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### ***SUMMARY OF QUARTERLY RESULTS***

A summary of quarterly results is included in the table below. The financial information is derived from the Company's financial statements.

	<u>Apr 1st to June 30, 2016</u>	<u>Jan 1st to Mar 31st, 2016</u>	<u>Oct1st to Dec 31st, 2015</u>	<u>July 1st to Sept 30th, 2015</u>
Revenue	-	-	-	-
Net Loss	\$9,393	\$32,374	\$21,366	\$3,960
Per share	-	-	-	-

	<u>Apr 1st to June 30, 2015</u>	<u>Jan 1st to Mar 31st, 2015</u>	<u>Oct1st to Dec 31st, 2014</u>	<u>July 1st to Sept 30th, 2014</u>
Revenue	-	-	-	-
Net Loss	\$6420	\$4,895	\$57,533	\$27,351
Per share	-	-	\$.01	-

### ***CASH FLOWS AND LIQUIDITY***

The Company's cash used in operating activities for the twelve months ended June 30, 2016 was \$87,840. There was no cash raised by financing activities during this period. At June 30th, 2016, the Company had cash on hand of \$64,221 which is expected to be sufficient to meet the Company's liquidity requirements until a Qualifying Transaction is completed; however, upon completion of the Qualifying Transaction additional capital will be necessary.

### ***CAPITAL RESOURCES***

As of the date of this MD&A, the Company has no outstanding commitments. The Company has not pledged any of its assets as security for loans, or otherwise and is not subject to any debt covenants. Credit risk predominantly relates to the Company's cash that is being held by a Canadian chartered bank.

### ***OFF BALANCE SHEET ARRANGEMENTS***

The Company is not a party to any off balance sheet arrangements or transactions.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2016

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### **TRANSACTIONS WITH RELATED PARTIES**

No share options were issued during the period ended June 30, 2016.

The following summarizes information about share options outstanding at June 30, 2016:

<u>Number outstanding and exercisable</u>	<u>Exercise price</u>	<u>Expire date</u>
255,000	\$0.20	November 17, 2016
<u>195,000</u>	\$0.25	March 28, 2017
<u>450,000</u>		

The weighted average exercise price, as at June 30, 2016, of share options awarded and outstanding is \$ 0.22.

### **PROPOSED TRANSACTIONS**

See Company Overview.

### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of condensed interim financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions the company may undertake in the future, actual results may differ from the estimates. The statement of financial position is comprised predominately of cash obtained through the issuance of common shares of the Company. At this time there are no estimates in the financial statements that are considered critical.

### **FINANCIAL INSTRUMENTS AND RISK FACTORS**

Financial instruments consist of cash, amounts receivable and amounts payable and accrued liabilities:

- a) **Fair value**  
The carrying value of cash, amounts receivable and amounts payable and accrued liabilities approximate their fair value due to the short-term nature of these instruments.
- b) **Credit risk**  
Credit risk is the risk of an unexpected loss if a counterparty to a financial instrument fails to meet its contractual obligations. The credit risk associated with cash is believed to be minimal as cash is on deposit with a Canadian chartered bank.

## MANAGEMENT DISCUSSION & ANALYSIS

For the year  
ended June 30, 2016

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### **SHARE CAPITAL**

- a) The Company is authorized to issue an unlimited number of Common Shares without par value. On November 17, 2011 the Company completed its initial public offering and issued 3,000,000 common shares for cash of \$600,000. The Company issued 250,000 share purchase warrants exercisable for \$0.20 per share for 24 months from the date of listing of the Common Shares to the agent. The Company also issued 255,000 stock options to the Directors of the Company exercisable at \$0.20 per share with a five-year term. On March 29, 2012 the Company issued 195,000 stock options to Directors of the Company exercisable at \$0.25 per share with a five-year term. On June 8, 2012 the Company completed a private placement raising gross proceeds of \$115,500 and issuing 577,500 common shares at a price of \$0.20 per share. The Company also issued 6,500 finders warrants exercisable for a 1-year period at \$0.20. In November 2014, the Company issued 250,000 common shares at a price of \$0.20 per share pursuant to the exercise of agent's options granted in connection with the Company's IPO. As noted under "COMPANY OVERVIEW", the Company cancelled 500,000 escrowed common shares on June 27, 2014.
- b) As at June 30, 2016 the Company had 4,827,500 issued and outstanding common shares (including 1,000,000 founder's escrow shares).

### **RISK FACTORS**

#### **No Proposed Business**

The Company was only recently incorporated, has not commenced commercial operations and has no assets other than cash. It has no history of earnings, and will not generate earnings or pay dividends until at least after the Completion of the Qualifying Transaction. The Company has not entered into an Agreement in Principle as defined in the CPC Policy. Until Completion of the Qualifying Transaction, the Company is not permitted to carry on any business other than the identification and evaluation of potential Qualifying Transactions.

#### **No Market or History of Operations**

The Company does not have a history of operations, and there is no assurance that it will produce revenue, operate profitably or provide a return on investment in the future.

#### **Directors' and Officers' Involvement in Other Projects**

The directors and officers of the Company will only devote a small portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses such that conflicts of interest may arise from time to time.

## **MANAGEMENT DISCUSSION & ANALYSIS**

**For the year  
ended June 30, 2016**

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### **Reliance on Management**

The Company is relying solely on the past business success of its directors and officers to identify a Qualifying Transaction of merit. The success of the Company is dependent upon the efforts and abilities of its management team. The loss of any member of the management team could have a material adverse effect upon the business and prospects of the Company. In such event, the Company will seek satisfactory replacements but there can be no guarantee that appropriate personnel may be found.

### **Requirement for Additional Financing**

The Company has only limited funds with which to identify and evaluate potential Qualifying Transactions and there can be no assurance that the Company will be able to identify a suitable Qualifying Transaction. Further, even if a proposed Qualifying Transaction is identified, there can be no assurance that the Company will be able to complete the transaction. The Qualifying Transaction may be financed in whole, or in part, by the issuance of additional securities by the Company and this may result in further dilution to investors, which dilution may be significant and which may also result in a change of control of the Company. Subject to prior Exchange approval, the Company may be permitted to loan or advance up to an aggregate of \$225,000 of its proceeds as a refundable deposit to a target business under certain conditions noted in the CPC Policy and there can be no assurance that the Company will be able to recover that loan.

### **Non-acceptance by the Exchange**

Completion of the Qualifying Transaction remains subject to a number of conditions including, without limitation, Exchange acceptance.

### **Potential Dilution**

The issue of common shares of the Company upon the exercise of the options and warrants will dilute the ownership interest of the Company's current shareholders. The Company may also issue additional option and warrants or additional common shares from time to time in the future. If it does so, the ownership interest of the Company's then current shareholders could also be diluted.

### **Related party disclosures**

Related parties include the Board of Directors, officers, close family members and enterprises that are controlled by three individuals as well as certain persons performing similar functions.

During the year ended June 30, 2016 the Company paid \$13,560 (2015 - \$17,000) for rent, office and professional fees to a corporation controlled by a director.

## SCHEDULE C

### AUDIT COMMITTEE CHARTER AND GUIDELINES

#### **Statement of policy of the Company**

The purpose of the Company's audit committee (the "**Audit Committee**") is to assist the Board of Directors of the Company (herein the "**Board**") in discharging its responsibilities with respect to the accounting policies, internal controls and financial reporting of the Company. The Audit Committee is also responsible for monitoring compliance with applicable laws and regulations, standards of ethical business conduct and the systems of internal controls. The Audit Committee shall have the authority to retain special legal, accounting or other consultants to advise the Audit Committee. The Audit Committee may request any, director, officer or employee of the Company or the Company's outside counsel or independent auditor, to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The guidelines of the TSX Venture Exchange Inc. and the Toronto Stock Exchange (collectively, the "**Exchange Guidelines**") suggest that the Board of every listed company should be constituted with a majority of individuals who qualify as "unrelated" directors. An "unrelated" director is a director who is independent of management and is 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 a view to the best interests of the Company other than interest and relationships arising from shareholding. In addition, where a company has a significant shareholder, the Exchange Guidelines suggest that the Board should include a number of directors who do not have interests in either the Company or the significant shareholder. In assessing the Exchange Guidelines and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors.

#### **Mandate of the Board of Directors**

The mandate of the Board, as prescribed by the *Canada Business Corporations Act*, is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through its committees.

#### **Meetings of the Board of Directors**

The Board meets to deal with matters as circumstances require. The Board transacts its business by circulating resolutions for signature by all directors.

#### **Mandate of the Audit Committee**

The primary function of the Audit Committee is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Audit Committee's primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements;
- (b) review and assess management's overall process to identify principal risks that could affect the achievement of the Company's business plans and to monitor the process to manage such risks;
- (c) oversee and monitor the Company's compliance with legal and regulatory requirements;
- (d) be directly responsible for the appointment, compensation and oversight of the external auditors;
- (e) oversee audits of the Company's financial statements;

- (f) oversee and monitor the qualifications, independence and performance of the Company's external auditors and internal auditing department;
- (g) oversee and monitor the integrity of the Company's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;
- (h) provide an avenue of communication among the external auditors, management, the internal auditing department and the Board; and
- (i) report to the Board regularly.

The Audit Committee has the authority to conduct any review or investigation appropriate to fulfilling its responsibilities. The Audit Committee shall have unrestricted access to personnel and information and any resources necessary to carry out its responsibility. In this regard the Audit Committee may direct internal audit personnel to particular areas of examination.

### **Operation of the Audit Committee**

#### ***Reporting of the Audit Committee***

The Audit Committee shall report to the Board. The full Board shall be kept informed of the Audit Committee's activities by a report following each Audit Committee meeting.

#### ***Composition of the Audit Committee***

The Audit Committee shall consist of not less than three directors as determined by the Board of Directors, the majority of whom shall qualify as unrelated directors and who are free from any relationship that would interfere with the exercise of his or her independent judgment as a member of the Audit Committee.

All members of the Audit Committee shall have the financial literacy to be able to read and understand the Company's financial statements and to understand the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. At least one member shall have acquired, through: (i) education and experience as a principal financial officer, principal accounting officer, controller, public accountant or auditor or experience in one or more positions that involve the performance of similar functions; (ii) experience actively supervising a principal financial officer, principal accounting officer, controller, public accountant, auditor or person performing similar functions; (iii) experience overseeing or assessing the performance of companies or public accountants with respect to the preparation, auditing or evaluation of financial statements; or (iv) other relevant experience:

- (a) an understanding of generally accepted accounting principles and financial statements;
- (b) the ability to assess the general application of such principles in connection with the accounting for estimates accruals and reserves;
- (c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising one or more persons engaged in such activities;
- (d) an understanding of internal controls and procedures for financial reporting; and
- (e) an understanding of audit committee functions.

Audit Committee members shall not simultaneously serve on the audit committees of more than two other public companies, unless the Board first determines that such simultaneous service will not impair the ability of the relevant members to effectively serve on the Audit Committee, and required public disclosure is made.

At least one 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. For the purpose of the Company's Audit Committee Charter, as may be determined by the Board from time to time (herein the "***Audit Committee Charter***"), the definition of "*financially literate*" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

#### ***Appointment of Audit Committee members***

Members of the Audit Committee shall be appointed at a meeting of the Board typically held immediately after the Company's annual shareholders' meeting; provided that any member may be removed or replaced at any time by the Board and shall in any event cease to be a member of the Audit Committee upon ceasing to be a member of the Board.

#### ***Vacancies***

Where a vacancy occurs at any time in the membership of the Audit Committee it may be filled by the Board.

#### ***Chairperson***

The Company's Corporate Governance Committee will recommend an unrelated director as Chairperson of the Audit Committee to the Board for approval. The Board shall appoint the Chairperson of the Audit Committee.

If the Chairperson of the Audit Committee is not present at any meeting of the Audit Committee, one of the other members of the Audit Committee present at the meeting shall be chosen by the Audit Committee to preside as Chairperson.

The Chairperson presiding at any meeting shall not have a casting vote.

#### ***Secretary***

The Audit Committee shall appoint a secretary who need not be a member of the Audit Committee or a director of the Company. The secretary shall keep minutes of the meetings of the Audit Committee.

#### ***Compensation***

Audit Committee members may not, other than in their respective capacities as members of the Audit Committee, the Board or any other committee of the Board, accept any consulting, advisory or other compensatory fee from the Company or its affiliates. For greater certainty, director's fees are the only compensation an Audit Committee member may receive from the Company or its affiliates.

#### ***Meetings of the Audit Committee***

The Audit Committee shall meet at least quarterly at the call of the Chairperson. The Chairperson of the Audit Committee may call additional meetings as required. In addition, a meeting may be called by any director or by the external auditors. As part of its job to foster open communication, the Audit Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Audit Committee meetings may be held in person, by video-conference, by means of telephone or by any combination of any of the foregoing.

#### ***Notice of meetings***

Notice of the time and place of every meeting may be given orally, in writing, by facsimile or by electronic communication to each member of the Audit Committee and to external auditors at least 48 hours prior to the time fixed for such meeting.

A member and the external auditors may, in any manner, waive notice of the meeting. Attendance of a member at the meeting shall constitute waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called.

***Quorum***

A majority of Audit Committee members, present in person, by videoconference, by telephone or by a combination thereof, shall constitute a quorum.

***Attendance at meetings***

The Chief Executive Officer, the Chief Financial Officer, the controller and the head of internal audit of the Company are expected to be available to attend meetings of the Audit Committee, but a portion of every meeting will be reserved for in-camera discussion without members of management being present.

The Audit Committee should meet on a regular basis and without management present, with the lead of internal audit, the external auditors and management in separate executive sessions to discuss any matters that the Audit Committee or these groups believe should be discussed privately with the Audit Committee.

The Audit Committee may by specific invitation have other resource persons in attendance.

The Audit Committee shall have the right to determine who shall and who shall not be present at any time during a meeting of the Audit Committee.

***Minutes***

Minutes of Audit Committee meetings shall be sent to all Audit Committee members and to the external auditors.

***Engaging outside resources***

The Audit Committee is empowered to engage outside resources, as it deems advisable, at the expense of the Company.

**Major responsibilities and functions of the Audit Committee*****Review procedures***

The Audit Committee shall review and update the Audit Committee's Charter at least annually and, at a minimum provide a summary of the Audit Committee's composition and responsibilities in the Company's annual report or other public disclosure documentation.

***Annual financial statements***

1. The Audit Committee shall discuss and review with management and the external auditors the Company's annual audited financial statements and related documents prior to their filing or distribution. Such a review is to include but not be limited the following:
  - (a) the annual financial statements and related footnotes, including significant issues regarding accounting policies and practices and significant management estimates and judgments, including any significant changes in the Company's selection or application of accounting principles, any major issues as to the adequacy of the Company's internal controls and any specific steps adopted in light of material control deficiencies;
  - (b) a review of the use of off-balance sheet financing, including management's risk assessment and adequacy of disclosure;
  - (c) a review of the external auditors' audit examination of the financial statements and their report thereon;
  - (d) a review of any significant changes required in the external auditors' audit plan;

- (e) a review of any serious difficulties or disputes with management encountered during the course of the audit, including any restrictions on the scope of the external auditors' work or access to required information;
  - (f) a review of other matters related to the conduct of the audit which are to be communicated to the Audit Committee under generally accepted auditing standards;
  - (g) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors; and
  - (h) other material written communications between the external auditors and management, such as any management letter or schedule of unadjusted differences.
2. Review and formally recommend approval to the Board of:
- (a) the Company's year-end audited financial statements;
  - (b) the Company's management's discussion and analysis;
  - (c) the Company's annual information forms and
  - (d) all Company prospectuses and information circulars as to financial information.

The review shall include a report from the external auditors about the quality of the most critical accounting principles upon which the Company's financial status depends, and which involve the most complex, subjective or significant judgmental decisions or assessments.

***Quarterly financial statements***

3. The Audit Committee shall review with management and the external auditors and either approve (such approval to include the authorization for public release) or formally recommend for approval to the Board of the Company's:
- (a) quarterly unaudited financial statements and related documents, including management's discussion and analysis; and
  - (b) any significant changes to the Company's accounting principles.
4. The Audit Committee shall review and discuss quarterly reports from the external auditors regarding:
- (a) all critical accounting policies and practices to be used;
  - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors; and
  - (c) other material written communications between the external auditors and management, such as any management letter or schedule or unadjusted differences.

***Internal control environment***

5. The Audit Committee shall ensure that management provides the Audit Committee with an annual report on the Company's control environment as it pertains to the Company's financial reporting process and controls.

6. The Audit Committee shall review and discuss significant financial risks or exposures and assess the steps management has taken to monitor, control, report and mitigate such risk to the Company.
7. The Audit Committee shall review the effectiveness of the overall process for identifying the principal risks affecting the achievement of business plans and provide the Audit Committee's view to the Board.
8. The Audit Committee shall review significant findings prepared by the external auditors and the internal auditing department together with management's responses.
9. The Audit Committee shall review, in consultation with the internal auditors and the external auditors, the degree of coordination in the audit plans of the internal auditors and the external auditors, and enquire as to the extent the planned scope can be relied upon to detect weaknesses in internal controls, fraud or other illegal acts.

#### ***Other review items***

10. The Audit Committee shall review policies and procedures with respect to officers' and directors' expense accounts and prerequisites, including their use of corporate assets, and consider the result of any review of these areas by the internal auditor or the external auditors.
11. The Audit Committee shall review all insider transaction and related party transactions between the Company and any officers or directors.
12. The Audit Committee shall review with Company counsel, the head of internal audit and the external auditors the result of their review of the Company's monitoring compliance with each of the Company's published codes of business conduct and applicable legal requirements.
13. The Audit Committee shall review legal and regulatory matters, including correspondence with regulators and governmental agencies that may have material impact on the interim or annual financial statements, related Company compliance policies and programs and reports received from regulators or governmental agencies.
14. The Audit Committee shall review policies and practices with respect to off-balance sheet transactions and trading and hedging activities, and consider the results of any review of these areas by the internal auditors or the external auditors.
15. The Audit Committee shall review with the President, the Chief Executive Officer and the Chief Financial Officer of the Company and the external auditors: (i) all significant deficiencies identified and material weakness in the design of operation of the Company's internal controls and procedures for financial reporting which could adversely affect the Company's ability to record, process, summarize and report financial information required to be disclosed by the Company in the reports that it files or submits with all regulatory bodies having jurisdiction over the affairs of the Company within the required time periods; and (ii) any fraud, whether or not material, that involves management of the Company or other employees who have significant role in the Company's internal controls and procedures for financial reporting.

#### ***External auditors***

16. The Audit Committee shall be directly responsible, in the Audit Committee's capacity as a committee of the Board and subject to the rights of shareholders and applicable law, for the appointment, compensation and oversight of the work of the external auditors (including resolution of disagreements between management and the external auditors regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The external auditors shall report directly to the Audit Committee.
17. The Audit Committee shall meet on a regular basis with the external auditors (without management present) and have the external auditors available to attend Audit Committee meetings or portions thereof at the request of the Chair of the Audit Committee or by a majority of the members of the Audit Committee.
18. The Audit Committee shall review and discuss with the external auditors all significant relationships that the external auditors and their affiliates have with the Company and its affiliates in order to determine the external

auditors' independence including, without limitation: (i) receiving and reviewing, as a part of the report described in the preceding paragraph, a formal written statement from the external auditors delineating all relationships that may reasonably be thought to bear on the independence of the external auditors with respect to the Company and its affiliates; (ii) discussing with the external auditors any disclosed relationships or services that the external auditors believe may affect the objectivity and independence of the external auditors; and (iii) recommending that the Board take appropriate action in response to the external auditors' report to satisfy itself of the external auditors' independence.

19. The Audit Committee shall review and evaluate:
  - (a) the external auditor's and the lead partner of the external auditors' team's performance, and make recommendation to the Board regarding the reappointment of the external auditors at the annual meeting of the Company's shareholders or regarding the discharge of such external auditors;
  - (b) the terms of engagement of the external auditors, together with their proposed fees;
  - (c) external audit plans and results;
  - (d) any other related audit engagement matters; and
  - (e) the engagement of the external auditors to perform non-audit services, together with the fees therefore, and the impact thereof, on the independence of the external auditors.
20. Upon reviewing and discussing the information provided to the Audit Committee in accordance with paragraphs 18 and 19 hereinabove, evaluating the external auditors' qualifications, performance and independence, and the provision of permitted non-audit services as compatible with maintaining auditor independence, taking into account the opinions of management and the head of internal audit. The Audit Committee shall present its conclusions with respect to the external auditors to the Board.
21. The Audit Committee shall ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner for reviewing the audit as required by law. Consider whether, in order to assure continuing external auditor independence, it is appropriate to adopt a policy of rotating the external auditing firm on a regular basis.
22. The Audit Committee shall recommend to the Board policies for the Company's hiring of employees or former employees of the external auditors who participate in any capacity in the audit of the Company.
23. The Audit Committee shall consider with management and the external auditors the rationale for employing audit firms other than the principal external auditors, including a review of management consulting services and related fees provided by the external auditors compared to those of other audit firms.

***Internal audit department and legal compliance***

24. The Audit Committee shall meet with the internal auditors as required, but in any event at least quarterly.
25. The Audit Committee shall review and concur in the appointment, replacement, reassignment or dismissal of the lead of internal audit.
26. The Audit Committee shall confirm and assure, annually, the independence of the internal audit department.
27. The Audit Committee shall consider and review with management, the external auditors and the head of internal audit:
  - (a) significant findings during the year and management's responses and follow-up thereto;
  - (b) any difficulties encountered in the course of their audits, including any restriction on the scope of their work or access to required information;

- (c) any changes required in the planned scope of their audit plan;
- (d) the resources, budget, reporting relationships and planned activities of the internal auditors;
- (e) the internal audit department charter; and
- (f) internal audit's compliance with the IIA's Standards for the Professional Practice of Internal Auditing (Standards).

***Approval of audit and non-audit services***

- 28. The Audit Committee shall review and, where appropriate, approve the provision of all permitted non-audit services (including the fees and terms thereof) in advance of the provisions of those services by the external auditors (subject to the *de minimus* exception for non-audit services prescribed in applicable legislation which are approved by the Audit Committee prior to the completion of the audit).
- 29. The Audit Committee shall review and, where appropriate and permitted, approve the provision of all audit services (including the fees and terms thereof) in advance of the provision of those services by the external auditors.
- 30. If the pre-approvals contemplated in paragraphs 28 and 29 hereinabove are not obtained, approve, where appropriate and permitted, the provisions of all audit and non-audit services promptly after the Audit Committee or a member of the Audit Committee to whom authority is delegated becomes aware of the provision of those services.
- 31. The Audit Committee shall delegate, if the Audit Committee deems necessary or desirable, to sub-committees consisting of one or more members of the Audit Committee, the authority to grant the pre-approvals and approvals described in paragraphs 28 through 30 hereinabove. The decision of any such sub-committee to grant pre approval shall be presented to the full Audit Committee at the next scheduled Audit Committee meeting.

***Other matters***

- 32. The Audit Committee shall review and concur in the appointment, replacement, reassignment or dismissal of the Chief Financial Officer.
- 33. The Audit Committee shall review and approve hiring policies regarding partners, employees and former partners and employees of the present and former external auditor.
- 34. The Audit Committee shall report Audit Committee actions to the Board with such recommendations as the Audit Committee may deem appropriate.
- 35. The Audit Committee shall conduct or authorize investigations into any matters within the Audit Committee's scope of responsibilities.
- 36. The Company shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the external auditors for the purpose of rendering or issuing an audit report and to any advisors employed by the Audit Committee.
- 37. The Audit Committee shall review and reassess the adequacy of this Audit Committee Charter annually and recommend any proposed changes to the Board for approval.
- 38. The Audit Committee shall evaluate its performance annually.
- 39. The Audit Committee shall perform such other functions as required by law, the Company's Audit Charter, the Company's Articles or the Board.

40. The Audit Committee shall consider any other matters referred to it by the Board.
41. The Audit Committee shall establish procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or audit matters; and (ii) the confidential submission by employees of the Company of concerns regarding questionable accounting controls or auditing matters.

**SCHEDULE D**  
**STOCK OPTION PLAN**

This stock option plan has been adopted by the directors of CT Developers Ltd.

**PART 1**  
**INTERPRETATION**

1.01 **Definitions.** In this Plan the following words and phrases shall have the following meanings, namely:

- (a) "Associate" means, where used to indicate a relationship with any person:
- (i) a partner, other than a limited partner, of that person;
  - (ii) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity;
  - (iii) a company in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the company; or
  - (iv) a relative, including the spouse or child, of that person or a relative of that person's spouse, where the relative has the same home as that person;

and for the purpose of this definition, "spouse" includes an individual who is living with another individual in a marriage-like relationship.

- (b) "Board" means the Board of Directors of the Company or, if applicable, the Committee.
- (c) "Committee" means a committee of the Board appointed in accordance with this Plan or, if no such committee is appointed, the Board itself.
- (d) "Company" means CT Developers Ltd.
- (e) "Consultant" means, in relation to an Issuer, an individual (other than an Employee or a Director of the Issuer) or Company that:
- (a) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer, other than services provided in relation to a Distribution;
  - (b) provides the services under a written contract between the Issuer or the Affiliate and the individual or the Company, as the case may be;
  - (c) in the reasonable opinion of the Issuer, spends or will spend a significant amount of time and attention on the affairs and business of the Issuer or an Affiliate of the Issuer; and
  - (d) has a relationship with the Issuer or an Affiliate of the Issuer that enables the individual to be knowledgeable about the business and affairs of the Issuer.
- (f) "Director" means any director of the Company or of any of its subsidiaries.
- (g) "Discounted Market Price" means the Market Price less the discount set forth below, subject to a minimum price of \$0.10:

<u>Closing Price</u>	<u>Discount</u>
up to \$0.50	25%
\$0.51 to \$2.00	20%
above \$2.00	15%

- (h) "Disinterested Shareholder Approval" means that the proposal must be approved by a majority of the votes cast at the shareholders' meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom shares may be issued pursuant to this Plan and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval.
- (i) "Employee" means:
- (i) an individual who is considered an employee of the Company or any of its subsidiaries under the *Income Tax Act* (i.e. for whom deductions (income tax, UIC and CPP) must be made at source);
  - (ii) an individual who is a full-time (i.e. 35 - 40 hours per week) dependent contractor, that is one who works full-time for the Company or any of its subsidiaries providing services normally provided by an employee and is subject to the same control and direction by the Company or its subsidiary over the detail and methods of work as an employee of the Company or its subsidiary, but for whom income tax deductions are not made at source; or
  - (iii) a part-time dependent contractor, that is an individual who works for the Company or any of its subsidiaries on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and is subject to the same control and direction by the Company or its subsidiary over the details and methods of work as an employee of the Company or its subsidiary, but for whom income tax deductions are not made at source;
- and includes Management Company Employees and Consultants.
- (j) "Exchange" means the TSX Venture Exchange.
- (k) "Insider" means:
- (i) a director or senior officer of the Company;
  - (ii) a director or senior officer of a person that is itself an insider or subsidiary of the Company; or
  - (iii) a person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company; or
  - (iv) the Company itself if it holds any of its own securities.
- (l) "Management Company Employee" means an individual employed by a person providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a person engaged in investor relations activities.
- (m) "Market Price" means, subject to the exceptions prescribed by the Exchange from time to time, the last closing price of the Company's shares before the issuance of the required news release disclosing the grant of options (but, if the policies of the Exchange provide an exception to such news release, then the last closing price of the Company's shares before the grant of options).
- (n) "Officer" means any senior officer of the Company or of any of its subsidiaries as defined in the *Securities Act* (Ontario).
- (o) "Plan" means this stock option plan as from time to time amended.

- (p) "Shares" means common shares without par value in the capital of the Company.
- (q) "Tier 1 Issuer" and "Tier 2 Issuer" have the meanings prescribed by the TSX Venture Exchange.

1.02 Gender. Throughout this Plan, words importing the masculine gender shall be interpreted as including the female gender.

## **PART 2**

### **PURPOSE OF PLAN**

2.01 Purpose. The purpose of this Plan is to attract and retain Employees, Officers and Directors and to motivate them to advance the interests of the Company by affording them the opportunity to acquire an equity interest in the Company through options granted under this Plan to purchase Shares. The Plan is expected to benefit the Company's shareholders by enabling the Company to attract and retain personnel of the highest caliber by offering to them an opportunity to share in any increase in the value of the Shares to which they have contributed.

## **PART 3**

### **GRANTING OR AMENDING OF OPTIONS**

3.01 Administration. This Plan shall be administered by the Board or, if the Board so elects, by a committee (consisting of not less than two (2) of its members) appointed by the Board. Any Committee shall administer the Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and either appoint new members in their place or decrease the size of the Committee, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer the Plan. A majority of the members of the Committee shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Committee shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Committee may vote on any matters affecting the administration of the Plan or the grant of options pursuant to the Plan, except that no such member shall act upon the granting of an option to himself (but any such member may be counted in determining the existence of a quorum at any meeting of the Committee during which action is taken with respect to granting options to him).

3.02 Committee's Recommendations. The Board may accept all or any part of the recommendations of the Committee or may refer all or any part thereof back to the Committee for further consideration and recommendation. Such recommendations may include, but not be limited to, the following:

- (a) resolution of questions arising in respect of the administration, interpretation and application of the Plan;
- (b) reconciliation of any inconsistency or defect in the Plan in such manner and to such extent as shall reasonably be deemed necessary or advisable to carry out the purpose of the Plan;
- (c) determination of the Employees, Officers and Directors (or their wholly-owned corporations) to whom, and when, options should be granted, as well as the number of Shares subject to each option;
- (d) determination of the terms and conditions of the option agreement to be entered into with any optionee, consistent with this Plan; and
- (e) determination of the duration and purpose of leaves of absence from employment which may be granted to optionees without constituting a termination of employment for purposes of the Plan.

3.03 Grant by Resolution. The Board, on its own initiative or, if a Committee of the Board shall have been appointed for the purpose of administering this Plan, upon the recommendation of such Committee, may by resolution designate those Employees, Officers and Directors to whom options should be granted (unless the Committee has been authorized by the Board to pass such resolution in which case they may do as so authorized).

- 3.04 Terms of Options. The resolution of the Board, or the Committee if applicable, shall specify the number of Shares that should be placed under option to each optionee, the price per Share to be paid upon exercise of the options, and the period during which such options may be exercised.
- 3.05 Written Agreements. Every option granted under this Plan shall be evidenced by a written agreement between the Company and the optionee and, where not expressly set out in the agreement, the provisions of such agreement shall conform to and be governed by this Plan. In the event of any inconsistency between the terms of the agreement and this Plan, the terms of this Plan shall govern.
- 3.06 Regulatory Approvals. The Board shall obtain all necessary regulatory approvals, which may be required under applicable securities laws or the rules or policies of the Exchange. The Board shall also take reasonable steps to ensure that no options granted under the Plan, or the exercise thereof, shall violate the securities laws of the jurisdiction in which any optionee resides.
- 3.07 Amendment of Options. Options may also be amended under this Plan, whether granted under this Plan or otherwise, and the terms of this Plan shall apply mutatis mutandis.

**PART 4**  
**CONDITIONS GOVERNING THE GRANTING AND EXERCISING OF OPTIONS**

- 4.01 Exercise Price. The exercise price of an option granted under this Plan shall not be less than the Discounted Market Price, provided that:
- (a) if options are granted within 90 days of a distribution by a prospectus, the minimum exercise price of those options will be the greater of the Discounted Market Price and the per share price paid by the public investors for Shares acquired under the distribution;
  - (b) the 90 day period begins on the date a final receipt is issued for the prospectus;
  - (c) for unit offerings, the minimum option exercise price will be the 'base' (or imputed) price of the shares included in the unit; and
  - (d) for all other financings, the minimum exercise price will be the average price paid by the public investors.
- 4.02 Expiry Date. Each option shall, unless sooner terminated, expire on a date to be determined by the Board which will not exceed 10 years from the day the option is granted.
- 4.03 Different Exercise Periods, Prices and Number. The Board may, in its absolute discretion, upon granting options under this Plan, specify different time periods following the dates of granting the options during which the optionees may exercise their options to purchase Shares and may designate different exercise prices and numbers of Shares in respect of which each optionee may exercise his option during each respective time period.
- 4.04 Number of Shares. The number of Shares reserved for issuance to any one person pursuant to options granted under this Plan, together with any Shares reserved for issuance pursuant to options granted to that person during the previous 12 months in the case that the Company is a Tier 2 Issuer, shall not exceed 5% of the issued and outstanding Shares at the time of granting of the options, provided that the aggregate number of options granted to each of the following categories of optionee:
- (a) Consultants; and
  - (b) all persons employed in investor relations activities on behalf of the Company;
- must not exceed an aggregate 2% of the issued Shares at the time of grant in any 12 month period.

- 4.05 Death of Optionee. If an optionee dies prior to the expiry of his option, his legal representatives may, by the earlier of:
- (a) one year from the date of the optionee's death (or such lesser period as may be specified by the Board at the time of granting the option); and
  - (b) the expiry date of the option;
- exercise any portion of such option.
- 4.06 Expiry on Termination or Cessation. If an optionee ceases to be a Director, Officer or Employee for any reason other than death, his option shall terminate as specified by the Board at the time of granting the option (provided however that, if the Company is a Tier 2 Issuer, his option shall terminate 90 days (but for optionees employed in investor relations activities, 30 days) after the optionee's last active working day, or such lesser period as may be specified by the Board at the time of granting the option), and all rights to purchase Shares under such option shall cease and expire and be of no further force or effect.
- 4.07 Leave of Absence. Employment shall be deemed to continue intact during any sick leave or other bona fide leave of absence if the period of such leave does not exceed 90 days or, if longer, for so long as the optionee's right to reemployment is guaranteed either by statute or by contract. If the period of such leave exceeds 90 days and the optionee's reemployment is not so guaranteed, then his employment shall be deemed to have terminated on the ninety-first day of such leave.
- 4.08 Assignment. No option granted under this Plan or any right thereunder or in respect thereof shall be transferable or assignable otherwise than by will or pursuant to the laws of succession except that, if permitted by the rules and policies of the Exchange, an optionee shall have the right to assign any option granted to him hereunder to a trust or similar legal entity established by such optionee.
- 4.09 Notice. Options shall be exercised only in accordance with the terms and conditions of the agreements under which they are respectively granted and shall be exercisable only by notice in writing to the Company at its principal place of business.
- 4.10 Payment. Subject to any vesting requirements described in each individual option agreement, options may be exercised in whole or in part at any time prior to their lapse or termination. Shares purchased by an optionee on exercise of an option shall be paid by cash in full at the time of their purchase (i.e. concurrently with the giving of the requisite notice).
- 4.11 Share Certificate. As soon as practicable after due exercise of an option, the Company shall issue a share certificate evidencing the Shares with respect to which the option has been exercised. Until the issuance of such share certificate, no right to vote or receive dividends or any other rights as a shareholder shall exist with respect to such Shares, notwithstanding the exercise of the option. No adjustment will be made for a dividend or other right for which the record date is prior to the date the share certificate is issued, except as provided in Part 6 hereof.
- 4.12 Vesting. Subject to the discretion of the Board, the options granted to an optionee under this Plan shall fully vest on the date of grant of such options. In accordance with the policies of the Exchange, and subject to their approval to the contrary, options issued to Consultants providing investor relations services must vest (and not otherwise be exercisable) in stages over a minimum of 12 months with no more than ¼ of the options vesting in any 3 month period.
- 4.13 Hold Period. In addition to any resale restrictions under applicable legislation, all options granted hereunder and all Shares issued on the exercise of such options will, if applicable under the policies of the Exchange, be subject to a four month TSX Venture Exchange hold period from the date the options are granted, and the stock option agreements and the certificates representing such Shares will bear the following legend:

"Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or

otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [insert date]."

- 4.14 **Individuals.** Options may be granted only to an individual or to a company that is wholly-owned by an individual who is eligible for an option grant. Only individuals who are Directors, Officers, Consultants, Employees or Management Company Employees may be granted stock options. If the optionee is a Consultant, Employee or Management Company Employee, the Company and the optionee must represent that the optionee is a bona fide Consultant, Employee or Management Company Employee, as the case may be. If the optionee is a company, it must agree not to effect or permit any transfer of ownership or option of shares of the company nor to issue further shares of any class in the company to any other individual or entity as long as the incentive stock option remains outstanding, except with the written consent of the Exchange.

## **PART 5**

### **RESERVE OF SHARES FOR OPTIONS**

- 5.01 **Maximum Number of Shares Reserved Under Plan.** The aggregate number of Shares which may be subject to issuance pursuant to options granted under this Plan shall not exceed the equivalent of 10% of the issued and outstanding Shares of the Company from time to time. In addition, all options granted outside of this Plan, which are in existence on the effective date of this Plan, shall be counted as if granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing options.
- 5.02 **Sufficient Authorized Shares to be Reserved.** Whenever the Memorandum or Articles of the Company limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of options granted under this Plan or otherwise. Shares that were the subject of options that have lapsed or terminated shall thereupon no longer be in reserve and may once again be subject to an option granted under this Plan.
- 5.03 **Disinterested Shareholder Approval.** Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:
- (a) the number of Shares reserved for issuance pursuant to options granted to Insiders exceeding 10% of the outstanding Shares at the time of granting the options;
  - (b) the issuance to Insiders, within a one year period, of a number of Shares exceeding 10% of the outstanding Shares at the time of granting the options; or
  - (c) except in the case of a Tier 1 Issuer (or equivalent), the issuance to any one Insider and such Insider's Associates, within a one year period, of a number of Shares exceeding 5% of the outstanding Shares at the time of granting the options; or
  - (d) any reduction in the exercise price of options granted to any person who is an Insider at the time of the proposed reduction.

## **PART 6**

### **CHANGES IN SHARES**

- 6.01 **Share Consolidation or Subdivision.** In the event that the Shares are at any time subdivided or consolidated, the number of Shares reserved for option and the price payable for any Shares that are then subject to option shall be adjusted accordingly.
- 6.02 **Stock Dividend.** In the event that the Shares are at any time changed as a result of the declaration of a stock dividend thereon, the number of Shares reserved for option and the price payable for any Shares that are then subject to option may be adjusted by the Board to such extent as they deem proper in their absolute discretion.
- 6.03 **Reorganization.** Subject to any required action by its shareholders, if the Company shall be a party to an reorganization, merger, dissolution or sale or lease of all or substantially all of its assets, whether or not the

Company is the surviving entity, the option shall be adjusted so as to apply to the securities to which the holder of the number of shares of capital stock of the Company subject to the option would have been entitled by reason of such reorganization, merger or sale or lease of all or substantially all of its assets, provided however that the Company may satisfy any obligations to an optionee hereunder by paying to the said optionee in cash the difference between the exercise price of all unexercised options granted hereunder and the fair market value of the securities to which the optionee would be entitled upon exercise of all unexercised options, regardless of whether all conditions of exercise relating to continuous employment have been satisfied. Adjustments under this paragraph or any determinations as to the fair market value of any securities shall be made by the Board, or any committee thereof specifically designated by the Board to be responsible therefor, and any reasonable determination made by the said Board or committee thereof shall be binding and conclusive.

- 6.04 Rights Offering. If at any time the Company grants to the holders of its capital stock rights to subscribe for and purchase pro rata additional securities of the Company or of any other corporation or entity, there shall be no adjustments made to the number of shares or other securities subject to the option in consequence thereof and the said stock option of the optionee shall remain unaffected.

**PART 7**  
**EXCHANGE'S RULES AND POLICIES APPLY**

- 7.01 Exchange's Rules and Policies Apply. This Plan and the granting and exercise of any options hereunder are also subject to such other terms and conditions as are set out from time to time in the rules and policies on stock options of the Exchange and any securities commission having jurisdiction and such rules and policies shall be deemed to be incorporated into and become a part of this Plan. In the event of an inconsistency between the provisions of such rules and policies and of this Plan, the provisions of such rules and policies shall govern.

**PART 8**  
**AMENDMENT OF PLAN**

- 8.01 Board May Amend. Subject to Part 5 the Board may, by resolution, amend or terminate this Plan, but no such amendment or termination shall, except with the written consent of the optionees concerned, affect the terms and conditions of options previously granted under this Plan which have not then been exercised or terminated.
- 8.02 Exchange Approval. Any amendment to this Plan or options granted pursuant to this Plan shall not become effective until accepted for filing by the Exchange.

**PART 9**  
**MISCELLANEOUS PROVISIONS**

- 9.01 Other Plans Not Affected. This Plan shall not in any way affect the policies or decisions of the Board in relation to the remuneration of Directors, Officers and Employees.
- 9.02 Effective Date of Plan. This Plan shall become effective upon the date on which the Company's shares are listed and posted for trading on the Exchange. However, options may be granted under this Plan prior thereto. Any option granted prior thereto may not be exercised prior to such date.
- 9.03 Use of Proceeds. Proceeds from the sale of Shares pursuant to the options granted and exercised under the Plan shall constitute general funds of the Company and shall be used for general corporate purposes.
- 9.04 Headings. The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.
- 9.05 No Obligation to Exercise. Optionees shall be under no obligation to exercise options granted under this Plan.
- 9.06 Termination of Plan. This Plan shall only terminate pursuant to a resolution of the Board or the Company's shareholders.

- 9.07 Deductions under Income Tax Act. If the Corporation is required under the Income Tax Act (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall:
- (a) pay to the Corporation, in addition to the exercise price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance; or
  - (b) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance; or
  - (c) make other arrangements acceptable to the Corporation to fund the required tax remittance.

