

**GAINEY CAPITAL CORP.**  
#312 – 125 West 18<sup>th</sup> Street  
North Vancouver, British Columbia V7M 1W5  
Tel: 604-987-8386

## **INFORMATION CIRCULAR**

**NOVEMBER 5, 2019**

(As at November 5, 2019, except as indicated)

**This information circular (the "Information Circular") is furnished in connection with the solicitation of proxies by the management of Gainey Capital Corp. (the "Company") for use at the annual general meeting (the "Meeting") of its shareholders to be held on December 11, 2019 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to "the Company", "we" and "our" refer to **Gainey Capital Corp.** "Common Shares" means common shares without par value in the capital of the Company. "Beneficial Shareholders" means shareholders who do not hold Common 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.

**Unless otherwise stated, all references to currency means lawful money of Canada. All references to "\$" means Canadian dollars.**

## **GENERAL PROXY INFORMATION**

### **Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

### **Appointment of Proxyholders**

The individuals named in the accompanying form of proxy (the "Proxy") are officers and/or directors of 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 the designated individual or company in the Proxy, 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 Proxy**

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

- (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 management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.**

### **Registered Shareholders**

Registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) 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 to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 2nd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;
- (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.investorvote.com](http://www.investorvote.com). 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. Late proxies may be accepted or rejected by the Chairman of the Meeting in the Chairman's discretion and the Chairman is under no obligation to accept or reject any particular late proxy.

### **Beneficial Shareholders**

**The following information is of significant importance to shareholders who do not hold Common 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 or as set out in the following disclosure.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the names of intermediaries. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. 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 meetings of shareholders. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Company is not forwarding meeting materials directly to NOBOs. The Company is not using the "notice-and-access" delivery procedures recently established under Canadian securities legislation. The Company does intend to pay for an intermediary to deliver to OBOs the Proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common 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 your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a Voting Instruction Form ("**VIF**") in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, insert the name of the desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the Internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting and the appointment of any shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting.**

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

#### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a 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 shareholder or the shareholder's authorized attorney in writing, or, if the 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. or at the address of the registered office of the Company 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 shareholder's Common 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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors (the "**Board**") of the Company has fixed Tuesday, November 5, 2019 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 Common Shares voted at the Meeting.

The Common Shares are listed for trading on the TSX Venture Exchange (the "**TSXV**"). As of the Record Date, there were 84,196,472 Common Shares issued and outstanding, each carrying the right to one vote. Of these Common Shares, 7,633,698 are held in escrow.

To the knowledge of the directors and executive officers of the Company, no person or corporation beneficially owned, or controlled or directed, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares as at the Record Date.

## 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 as directors or appointment of the Company's auditor than there are vacancies to fill, 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

The term of office of each of the current directors of the Company will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) ("**BCA**"), each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected. In the absence of instructions to the contrary, the enclosed Proxy will be voted for the nominees herein listed.

Shareholders will be asked to approve an ordinary resolution that the number of directors elected be fixed at three (3).

The following disclosure 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, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at November 5, 2019.

Name, Jurisdiction of Residence and Position	Principal Occupation or Employment <sup>(3)</sup>	Previous Service as a Director	Common Shares Beneficially Owned or Controlled <sup>(1)</sup>
<b>David Coburn</b> <sup>(2)</sup> Penticton, British Columbia, Canada	Vancouver based businessman; President of the Company since August 10, 2012; and Chief Executive Officer and Director of the Company since February 11, 2011.	Since February 11, 2011	3,844,850 directly and 2,000,000 indirectly.
<b>D. Barry Lee</b> <sup>(2)</sup> Vancouver, British Columbia, Canada	Director and/or Senior officer of several public companies. CFO of First Merit Group Inc. / CEO of Equity One Capital Corp., both private financial advisory firms; Director of the Company between February 11, 2011 and March 28, 2014 and since August 26, 2016.	Since August 26, 2016	450,000 directly
<b>Brent Omland</b> <sup>(2)</sup> Ridgefield, Connecticut, USA	CFO and Director of Americas of Ocean Partners USA, Inc. since 2013; Director of the Company since March 28, 2014.	Since March 28, 2014	100,000 directly.

Notes:

- (1) The number of Common Shares beneficially owned by the above nominees for directors, directly or indirectly, is based upon insider reports available at [www.sedi.ca](http://www.sedi.ca) and by the nominees themselves, as at the Record Date.
- (2) Member of the Audit Committee.
- (3) The information as to principal occupation, business or employment is not within the knowledge of the management of the Company and has been furnished by the respective nominees.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the Company acting solely in such capacity. The following information relates to the principal occupation, business or employment of each director or proposed director.

***David Coburn, President, Chief Executive Officer and Director***

Mr. Coburn is a Vancouver-based businessman. He has invested in private and public corporations in several different industries focusing on renewable energy/high tech/contract manufacturing industries primarily in Asia. He obtained his Bachelor of Science in Business Administration from Northern Arizona University in May 1985.

***Brent Omland, Director***

Mr. Omland is currently the CFO and on the board of directors of Americas of Ocean Partners USA, Inc., a global base metal and precious metals concentrate trader with a strong presence in Mexico, and which works with miners to deliver successful trading services, including financial solutions, for their concentrates and by-products. Mr. Omland is an experienced senior finance professional in the mining, metals and physical trading fields having worked previously for Teck Resources Limited and more recently as the VP Finance and CFO of Ivernia Inc. and Enirgi Metal Group Pty Ltd, which are companies focused on lead mining and smelting in Australia. Mr. Omland has been a qualified Canadian Chartered Accountant since 2005.

***D. Barry Lee, Director***

Mr. Lee is a co-founder of the Company and was an original member of the Board until 2014. He has extensive board, senior management and audit committee experience and has provided strategic planning, corporate governance, and merger and acquisition expertise for both public and private companies within various sectors over the past 22 years.

He is currently a director and/or senior officer of several public companies listed in both Canada and the U.S.

To the knowledge of the Company, except as disclosed below, no proposed director:

- (a) is, as at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director, chief executive officer ("**CEO**") or chief financial officer ("**CFO**") of any company (including the Company) that:
  - (i) was subject to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (together, an "**Order**") that was issued while the proposed director was acting in the capacity as director, CEO or CFO; or
  - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as director, CEO or CFO; or
- (b) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- (d) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (e) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **APPOINTMENT OF AUDITOR**

Davidson & Company LLP, Chartered Accountants, of #1200 – 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, British Columbia, are the auditors of the Company and were first appointed on February 11, 2011. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Davidson & Company LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

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

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 and its relationship with its independent auditor, as set forth in the following:

##### **The Audit Committee's Charter**

The Audit Committee has a charter (the "**Audit Committee Charter**"), a copy of which is attached to this Information Circular as Schedule "A" hereto.

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

The current members of the Audit Committee are David Coburn, Brent Omland, and D. Barry Lee. Mr. Omland is the Chair of the Audit Committee. Mr. Omland and Mr. Lee are considered to be independent and financially literate within the meanings ascribed to such terms in NI 52-110. Mr. Coburn is not considered to be independent as he is the President and CEO of the Company. Mr. Coburn is financially literate under 52-110.

### **Relevant Education and Experience**

See heading "*Election of Directors*" concerning disclosure on relevant education and experience of the current and proposed Audit Committee members.

Each member of the Audit Committee has:

- 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;
- experience 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 individuals engaged in such activities; and
- an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

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

For information regarding the Audit Committee's specific policies and procedures for the engagement of non-audit services, see the Company's Audit Committee Charter.

### **External Auditor Service Fees**

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP to the Company to ensure auditor independence. The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Nature of Services	Fees Paid to Auditor in Year Ended March 31, 2019	Fees Paid to Auditor in Year Ended March 31, 2018
Audit Fees <sup>(1)</sup>	\$30,000	\$31,000
Audit-Related Fees <sup>(2)</sup>	\$366	\$620
Tax Fees	\$3,000 <sup>(3)</sup>	\$3,000 <sup>(3)</sup>
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	\$33,366	\$34,620

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) For filing the Company's annual tax return.
- (4) All Other Fees include all other non-audit services.

### **Exemption in Section 6.1 of NI 52-110**

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

## **CORPORATE GOVERNANCE**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below.

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the Board from executive management and the adoption of policies to ensure the Board recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

### **Independence of Members of Board**

Directors are considered to be independent if they have no direct or indirect material relationship with the Company, based on the tests for independence set forth in NI 52-110. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board requires management to provide complete and accurate information with respect to the Company's activities and to provide relevant information concerning the industry in which the Company operates in order to identify and manage risks. The Board is responsible for monitoring the Company's officers who, in turn, are responsible for the maintenance of internal controls and management information systems.

Two members of the proposed Board are independent directors, namely Brent Omland and D. Barry Lee. David Coburn is not independent as he is the President and CEO of the Company.

### Management Supervision by Board

The operations of the Company do not support a large Board and the Board has determined that the current constitution of the Board is appropriate for the Company's current stage of development. Independent supervision of management is accomplished through choosing management who demonstrate a high level of integrity and ability and having strong independent Board members. Further supervision is performed through the Audit Committee which is composed of a majority of independent directors who meet with the Company's auditors.

### Directorships

The following table sets out the directors and nominees for director of the Company that are currently directors of other reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange or Market	Since
D. Barry Lee	Buccaneer Gold Corp Sixth Wave Innovations Inc. Worldwide Resources Corp. Voip-Pal.com Inc.	TSXV N/A TSXV OTCQB	May 2016 May 2007 January 2005 October 2018

### Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new Board members are provided with an orientation to help understand the Company's business, technology and industry and on the responsibilities of directors. This is achieved by providing directors with:

- information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies;
- access to recent, publicly filed documents of the Company;
- access to management;
- access to legal counsel in the event of any questions relating to the Company's compliance and other obligations; and
- internal presentations prepared by the Company personnel on matters relevant to the Company's business and operations.

Board members are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Company; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### 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 Board has responsibility for identifying potential Board candidates by assessing the needs of the Board for required skills, expertise, independence and other factors. Competencies and skills that the Board will consider includes the appropriate size of the Board to facilitate effective decision-making and to assess the same on a periodic basis. In the event a new director is required or proposed, the Board will hold a Board meeting.

## **Compensation**

The Company has not established a compensation committee and did not retain professional executive compensation consultants or advisors in the most recently completed financial year to assist in determining compensation for the directors and officers. The Board, as a whole, determines compensation for the directors and CEO. Further information regarding the Company's process for determining compensation appears below under "*Statement of Executive Compensation - Compensation Discussion and Analysis*".

## **Other Board Committees**

The Company has no committees other than the Audit Committee. A copy of the Audit Committee Charter (as defined herein) is attached to this Information Circular as Schedule "A" hereto.

## **Assessments**

The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees to satisfy itself that the Board, its committees and its directors are performing effectively.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The compensation of the CEO and CFO of the Company has been established with a view to attracting and retaining executives critical to the Company's short and long-term success and to continue providing executives with compensation that is in accordance with existing market standards generally and competitive within the technology industry.

Compensation of the Company's Named Executive Officers is comprised of a base salary, and the grant of incentive stock options ("**Options**") pursuant to the Plan (as defined herein) and performance warrants to purchase Common Shares under the Company's compensation incentive plan. Through its executive compensation practices, the Company seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Company's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Company's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Company's success, and align the interests of the Company's executives and shareholders by motivating executives to increase shareholder value.

In making its determinations regarding the various elements of executive compensation, the Board does not benchmark its executive compensation program, but from time to time does review compensation practices of companies of similar size and stage of development to ensure the compensation paid is competitive within the Company's industry and geographic location while taking into account the financial and other resources of the Company.

Within the context of the overall objectives of the Company's compensation practices, the Company determined the specific amounts of compensation to be paid to each of its executives during the year ended March 31, 2019 based on a number of factors, including the performance of the Company's executives during the fiscal year, the roles and responsibilities of the Company's executives, the individual experience and skills of, and expected contributions from, the Company's executives, the Company's executives' historical compensation and performance within the Company, the financial and other resources of the Company, and any contractual commitments the Company has made to its executives regarding compensation.

The Company is growing rapidly but at its current size and level of activity, the Board is able to closely monitor and consider any risks which may be associated with the Company's compensation policies and practices. Risks, if any, may be identified and mitigated through Board meetings during which financial and other information of the Company are reviewed. Although the Board does not use a formal practice to evaluate the risks associated with the Company's compensation policies and practices, the Board has no reason to believe that any risks that arise from the Company's compensation policies and practices are reasonably likely to have a material adverse effect on the Company. Accordingly, the Company does not expect to make any significant changes to its compensation policies and practices in the next financial year.

### *Elements of Executive Compensation*

The Company's executive compensation policy consists of an annual base salary and long-term incentives in the form of performance warrants, and Options granted under the Company's incentive 10% rolling stock option plan (the "**Plan**").

#### Base Salary

In the Board's view, paying base salaries which are reasonable in relation to the level of service expected while remaining competitive in the markets in which the Company operates is a first step to attracting and retaining qualified and effective executives.

#### Bonus Incentive Compensation

The Board will consider executive bonus compensation dependent upon the Company meeting its strategic objectives and sufficient cash resources being available for the granting of bonuses. The Board approves executive bonus compensation dependent upon compensation levels based on recommendations of the CEO. Such recommendations are generally based on information provided by issuers that are similar in size and scope to the Company's operations.

#### Equity Participation – Option-based Awards

The Company believes that encouraging its executives and employees to become shareholders is the best way of aligning their interests with those of its shareholders. Options are granted pursuant to the Plan. Options are granted to executives and employees at the discretion of the Board taking into account a number of factors, including the amount and term of Options previously granted, base salary and bonuses and competitive factors. The amounts and terms of Options granted are determined, set and amended at the discretion of the Board, based on recommendations put forward by the CEO. Due to the Company's limited financial resources, the Company utilizes Option grants to maintain executive motivation.

#### Actions, Decisions or Policy Changes

The Company has not established a compensation committee and did not retain professional executive compensation consultants in the most recently completed financial year. Given the evolving nature of the Company's business, the Board continues to review the overall compensation plan for senior management so as to continue to address the objectives identified above. The Company did not implement any new actions, decisions or policies after the end of the most recently completed financial year that would affect the understanding of the NEOs' compensation the most recently completed financial year.

### ***Option Based Awards***

The Plan has been and will be used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of Options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the TSX Venture Exchange (the "**Exchange**"), and closely align the interests of the executive officers with the interests of shareholders. See "*Particulars of Other Matters to Be Acted Upon – Approval of Stock Option Plan*" for further details regarding the terms of the Plan.

### ***Compensation Governance***

The Company has not established a compensation committee and did not retain professional executive compensation consultants or advisors in the most recently completed financial year to assist in determining compensation for the directors and officers. The Board, as a whole, determines compensation for the directors and NEOs, and has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards. The LTIP is administered by the Board, which, from time to time, grants equity-based compensation to Eligible Persons after considering their present and potential contributions and other relevant factors.

### ***Hedging of Economic Risks in the Company's Securities***

The Company has not adopted a policy prohibiting directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Company's securities granted as compensation or held, directly or indirectly, by directors or officers. However, the Company is not aware of any directors or officers having entered into this type of transaction.

### ***Named Executive Officers Compensation***

The following table (presented in accordance with National Instrument Form 51-102F6 - *Statement of Executive Compensation* ("**Statement of Executive Compensation**")) sets forth all annual and long term compensation for services in all capacities to the Company for the three most recently completed financial years of the Company in respect of each of the individuals comprised of each CEO and the CFO who acted in such capacity for all or any portion of the most recently completed financial year, and each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, (other than the CEO and the CFO), as at March 31, 2019 whose total compensation was, individually, more than \$150,000 for the financial year and any individual who would have satisfied these criteria but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year (collectively the "**Named Executive Officers**" or "**NEOs**").

The Company had two (2) Named Executive Officers who acted for all or portion of the financial years ended March 31, 2019, 2018 and 2017, namely David Coburn, CEO & President and Michele Pillon, CFO.

## Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
David Coburn <sup>(1)</sup> CEO & President	2019	157,980	Nil	\$9,000	Nil	Nil	Nil	Nil	166,980
	2018	154,305	Nil	Nil	Nil	Nil	Nil	Nil	154,305
	2017	157,897	Nil	Nil	Nil	Nil	Nil	Nil	157,897
Michele Pillon <sup>(2)</sup> CFO	2019	30,000	Nil	\$5,250	Nil	Nil	Nil	Nil	35,250
	2018	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000
	2017	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000

Notes:

- (1) David Coburn was appointed as CEO, President and director of the Company on February 11, 2011. Mr. Coburn did not receive compensation for his services as a director.
- (2) Michele Pillon was appointed as CFO of the Company on March 28, 2014.

## Outstanding Options-Based Awards

The following table sets forth information concerning all awards outstanding under incentive plans of the Company at the end of the most recently completed financial year, including awards granted before the most recently completed financial year, to each of the Named Executive Officers:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
David Coburn	600,000	0.12	September 17, 2024	9,000
	400,000	0.20	September 8, 2021	Nil
Michele Pillon	350,000	0.12	September 17, 2024	5,250
	100,000	0.25	June 1, 2020	Nil
	90,000	0.20	September 8, 2021	Nil

Notes:

- (1) Value of unexercised "In-the-Money Options" is based on a Common Share price of \$0.135 on March 29, 2019.

## Share-Based Awards

The Company did not award any share based-awards to NEOs in the most recently completed financial year.

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

The Company did not grant any Options to NEOs and no Options vested during the most recently completed financial year in relation to incentive plan awards granted to Named Executive Officers. See "*Particulars of Other Matters to Be Acted Upon – Approval of Stock Option Plan*" for further details regarding the terms of the Plan.

## PENSION PLAN BENEFITS

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

## **TERMINATION AND CHANGE OF CONTROL BENEFITS**

The Company does not have a contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Company or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

## **DIRECTOR COMPENSATION**

During the financial year ended March 31, 2019, the Company had three (3) directors: David Coburn, Brent Omland and Barry Lee.

During the financial year ended March 31, 2019, the Company had no compensation arrangements, standard or otherwise, pursuant to which directors are compensated by the Company for their services in their capacity as directors, or for committee participation, except for the granting from time to time of incentive Options in accordance with the policies of the TSXV, up to and including the date of this Information Circular. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

Unless otherwise stated in this Statement of Executive Compensation, no director received compensation from the Company during the most recently completed financial year for their services as a director.

### **Outstanding Options-Based Awards**

The Company did not award any option based-awards to directors in the most recently completed financial year.

### **Share-Based Awards**

The Company did not award any share-based-awards to directors in the most recently completed financial year.

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

The Company did not grant any Options to directors pursuant to the Plan and no Options vested during the most recently completed financial year in relation to incentive plan awards granted to directors. For more information on the Plan, see "*Statement of Executive Compensation - Incentive Plan Awards – Value Vested or Earned During the Year – Narrative Discussion*" above.

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

The following table sets out equity compensation plan information as at the end of the financial year ended March 31, 2019.

## Equity Compensation Plan Information

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)</sup>
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by securityholders	44,051,319 <sup>(2)</sup>	\$0.16 <sup>(3)</sup>	2,724,647 <sup>(4)</sup>
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	44,051,319	\$0.16	2,724,647

Notes:

- (1) The aggregate number of Common Shares issuable upon exercise of all Options granted under the Plan, which shall not exceed 10% of the Company's issued and outstanding Common Shares from time to time.
- (2) The total number of securities to be issued upon exercise consists of 5,695,000 Options under the Plan and 38,356,319 warrants.
- (3) The weighted-average exercise price of outstanding Options is \$0.16 and the weighted-average exercise price of outstanding warrants is \$0.15.
- (4) Based on the number of Common Shares issued and outstanding on March 31, 2019.

See "*Particulars of Other Matters to Be Acted Upon – Approval of Stock Option Plan*" for further details regarding the Company's Plan.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or, which is owing to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- i) is or was at any time since the beginning of the most recently completed financial year, indebted to the Company or its subsidiaries; or
- ii) is or was indebted to another entity, which indebtedness is or was at any time since the beginning of the most recently completed financial year, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, in relation to a securities purchase program or other program.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Unless as set out in this Information Circular, no informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company or its subsidiaries.

## MANAGEMENT CONTRACTS

No management functions of the Company are performed to any substantial degree by a person other than the directors or executive officers of the Company.

### PARTICULARS OF MATTERS TO BE ACTED UPON

#### Approval of Stock Option Plan

The Company adopted the Plan on October 30, 2015 which was approved by the Exchange and the shareholders of the Company on March 29, 2016 which provides for the grant of Options to purchase Common Shares under the Plan to directors, officers, employees and consultants of the Company and its subsidiaries, as additional compensation, subject to the approval of the TSXV and any other stock exchange on which the Company's Common Shares are listed on the date of grant.

The Plan is administered by the Board and pursuant to its terms, the Board may from time to time grant Options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares, on a non-diluted basis, exercisable for a period of up to ten years from the date of grant. As of the date of this Information Circular, 5,695,000 Options are granted and outstanding.

The purpose of the Plan is to allow the Company to provide an additional incentive for its directors, senior officers, employees and consultants by way of granting Options, as additional compensation, and as an opportunity to participate in the success of the Company. The granting of such Options is intended to align the interests of such persons with that of the shareholders. Options will be exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the closing market price of the Common Shares prevailing on the day that the Option is granted (or, if the grant is not announced, the closing market price prevailing on the day that the Option is granted) less a discount of up to 25%, the amount of the discount varying with market price in accordance with the policies of the Exchange. Pursuant to the Plan, the Board may from time to time authorize the issue of Options to directors, officers, employees and consultants of the Company and its subsidiaries or employees of companies providing management or consulting services to the Company or its subsidiaries. The Plan contains no vesting requirements (other than for optionees engaged in investor relations activities, in which case Options vest in stages over a period of 12 months), but permits the Board to specify a vesting schedule in its discretion.

The Plan provides that if a change of control, as defined therein, occurs, all Common Shares subject to Options shall immediately become vested and may thereupon be exercised in whole or in part by the Option holder. The Plan provides that if a spin-out transaction occurs, any Options issued to an optionee pursuant to such transaction will expire at the earlier of (i) the expiry date of such Options and (ii) if the optionee does not become an Eligible Person in respect of the New Company (both as defined therein), the date that such Options expire in accordance with the Plan, as applicable; (iii) if the optionee becomes an Eligible Person in respect of the New Company, the date that such Options expire pursuant to the terms of the New Company's stock option plan that correspond with the foregoing regarding death or disability, termination for cause, early retirement, voluntary resignation or termination other than for cause, contained in Section 4.4(a) – (c) of the Plan; and (iv) the date that is one (1) year after the optionee ceases to be an Eligible Person in respect of the New Company or such shorter period as determined by the Board. In the event that a take-over bid received by the Company which would result in the offeror becoming a control person of the Company under securities laws, subject to regulatory approval, all Common Shares subject to such Option will become vested and such Option may be exercised in whole or in part by the optionee pursuant to the take-over bid. If the take-over bid is not completed within the time specified or the optionee does not exercise the entirety of the Option or Common Shares from the exercise of the Option are not paid in full by the offeror, such Common Shares may be returned and the Option will be reinstated as if it had not been exercised.

The maximum number of Common Shares which may be issued pursuant to Options previously granted and those granted under the Plan will be 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the number of Common Shares which may be reserved for issuance to any one individual may not exceed (without disinterested shareholder approval) 5% of the issued Common Shares on a yearly basis or 2% if the optionee is a

consultant. The number of Common Shares which may be reserved for issuance to all persons engaged in investor relations activities may not exceed 2% of the issued Common Shares on a yearly basis. The number of Common Shares which may be reserved for issuance to insiders of the Company as a group may not exceed (without disinterested shareholder approval) 10% of the issued Common Shares on a yearly basis.

In accordance with good corporate governance practices and as recommended by National Policy 51-201 - *Disclosure Standards*, the Company imposes black-out periods restricting the trading of its securities by directors, officers, employees and consultants during periods surrounding the release of annual and interim financial statements and at other times when deemed necessary by management and the Board. In order to ensure that optionees are not prejudiced by the imposition of such black-out periods, the Plan includes a provision to the effect that any outstanding Options with an expiry date that falls during a management imposed black-out period or within five trading days thereafter will be automatically extended to a date that is ten trading days following the end of the black-out period.

The Plan contains adjustment provisions with respect to outstanding Options in cases of share reorganizations, special distributions and other corporation reorganizations including an arrangement or other transaction under which the business or assets of the Company become, collectively, the business and assets of two or more companies with the same shareholder group upon the distribution to the Company's shareholders, or the exchange with the Company's shareholders, of securities of the Company or securities of another company.

The Plan provides that on the death or disability of an Option holder, all vested Options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such Options. Where an optionee is terminated for cause, any outstanding Options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested Options held by such optionee will expire at the earlier of (i) the expiry date of such Options and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company, provided that the board of directors may extend this 90-day termination date to a later date within a reasonable period in accordance with applicable policies of the Exchange.

The full text of the Plan is available for viewing up to the date of the Meeting at the Company's offices at #312 – 125 West 18<sup>th</sup> Street, North Vancouver, British Columbia, V7M 1W5 and will also be available for review at the Meeting.

At the Meeting, shareholders will be asked to pass a resolution in the following form:

"BE IT RESOLVED, as an ordinary resolution that:

1. that the Company approve and ratify, subject to regulatory approval, the Plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company's issued and outstanding shares being reserved to any one person on a yearly basis.; and
2. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution."

**Unless such authority is withheld, the persons named in the enclosed Proxy intend to vote for the approval and ratification of the Plan.**

#### ADDITIONAL INFORMATION

Financial information is provided in the audited consolidated financial statements of the Company for the year ended March 31, 2019 and in the related management discussion and analysis as filed on [www.sedar.com](http://www.sedar.com).

Additional information relating to the Company is filed on [www.sedar.com](http://www.sedar.com) and shareholders may contact the Company at Suite #312 – 125 West 18<sup>th</sup> Street, North Vancouver, British Columbia, V7M 1W5 at telephone no.: (604) 987-8386 to request copies of the Company's financial statements and MD&A free of charge. The Company may require the payment of a reasonable charge from any person or company who is not a securityholder of the Company, who requests a copy of any such document.

#### **OTHER MATTERS**

The Board is not aware of any other matters, which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The Board of the Company has approved the contents of this Information Circular and its distribution to shareholders.

**DATED** at Vancouver, British Columbia, November 5, 2019.

#### **BY ORDER OF THE BOARD**

*"David Coburn"*

\_\_\_\_\_  
David Coburn  
Director, President and Chief Executive Officer

## SCHEDULE "A"

### AUDIT COMMITTEE CHARTER

The Audit Committee is a committee of the board of directors to which the board delegates its responsibilities for the oversight of the accounting and financial reporting process and financial statement audits. The Audit Committee will:

- 1) review and report to the board of directors of the Company on the following before they are published:
  - *the financial statements and MD&A (management discussion and analysis) (as defined in National Instrument 51-102) of the Company;*
  - *the auditor's report, if any, prepared in relation to those financial statements,*
- 2) review the Company's annual and interim earnings press releases before the Company publicly discloses this information,
- 3) satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and periodically assess the adequacy of those procedures,
- 4) recommend to the board of directors:
  - *the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and*
  - *the compensation of the external auditor,*
- 5) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting,
- 6) monitor, evaluate and report to the board of directors on the integrity of the financial reporting process and the system of internal controls that management and the board of directors have established,
- 7) monitor the management of the principal risks that could impact the financial reporting of the Company,
- 8) establish procedures for:
  - *the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and*
  - *the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters,*
- 9) pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor,
- 10) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company, and
- 11) with respect to ensuring the integrity of disclosure controls and internal controls over financial reporting, understand the process utilized by the Chief Executive Officer and the Chief Financial Officer to comply with Multilateral Instrument 52-109.

## **Composition of the Committee**

The committee will be composed of 3 directors from the Company's board of directors, a majority of whom will be independent. Independence of the board of directors' members will be as defined by applicable legislation and as a minimum each independent committee member will have no direct or indirect relationship with the Company which, in the view of the board of directors, could reasonably interfere with the exercise of a member's independent judgment.

All members of the committee will be financially literate as defined by applicable legislation. If, upon appointment, a member of the committee is not financially literate as required, the person will be provided a three-month period in which to achieve the required level of literacy.

## **Authority**

The committee has the authority to engage independent counsel and other advisors as it deems necessary to carry out its duties and the committee will set the compensation for such advisors.

The committee has the authority to communicate directly with and to meet with the external auditors and the internal auditor, without management involvement. This extends to requiring the external auditor to report directly to the committee.

## **Reporting**

The reporting obligations of the committee will include:

- (a) reporting to the board of directors on the proceedings of each committee meeting and on the committee's recommendations at the next regularly scheduled directors' meeting; and
- (b) reviewing, and reporting to the board of directors on its concurrence with, the disclosure required by Form 52-110F2 in any management information circular prepared by the Company.