

MIDASCO CAPITAL CORP.

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INFORMATION CIRCULAR

(containing information as at August 24, 2017 unless otherwise stated)

SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the management of **MIDASCO CAPITAL CORP.** (the "Corporation"), for use at the annual general and special meeting (the "Meeting"), of the shareholders of the Corporation, to be held on Thursday, September 28, 2017, at the time and place and for the purposes set forth in the accompanying notice of annual general and special meeting and at any adjournment thereof. **The enclosed instrument of proxy is solicited by management of the Corporation.** The solicitation will be primarily by mail; however, proxies may be solicited personally or by telephone by the regular officers and employees of the Corporation. The cost of solicitation will be borne by the Corporation.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of proxy (the "Proxy") are directors and/or officers of the Corporation. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for him on his behalf at the meeting other than the persons named in the enclosed instrument of Proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the instrument of Proxy and insert the name of his nominee in the blank space provided, or complete another instrument of Proxy. A Proxy will not be valid unless it is deposited with the Corporation's head office, 12216 Boundary Drive North, Surrey, British Columbia, V3X 1Z5, or with its registrar and transfer agent, Computershare Investor Services Inc. ("Computershare"), 3rd floor, 510 Burrard Street, Vancouver, BC, V6B 3B9, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or adjournment thereof.**

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

A shareholder who has given a Proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the shareholder or by his or her attorney authorized in writing, or, if the shareholder is a corporation, it must either be under its common seal, or signed by a duly authorized officer and deposited at the Corporation's head office, 12216 Boundary Drive North, Surrey, British Columbia, V3X 1Z5, or with Computershare, 3rd floor, 510 Burrard Street, Vancouver, BC, V6B 3B9, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be

used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

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

IN THE ABSENCE OF ANY INSTRUCTION IN THE PROXY, IT IS INTENDED THAT SUCH SHARES WILL BE VOTED IN FAVOUR OF THE MOTIONS PROPOSED TO BE MADE AT THE MEETING AS STATED UNDER THE HEADINGS IN THIS INFORMATION CIRCULAR. The enclosed Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this information circular, management of the Corporation is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters which are not now known to the management should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

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

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

GENERAL

The Corporation's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. As at August 24, 2017 (the "Record Date"), the Corporation has 10,220,632 issued and outstanding fully paid and non-assessable common shares without par value, each common share carrying the right to one vote. The Corporation has no other classes of voting securities.

Only shareholders of record at the close of business on the Record Date, who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or at any adjournment thereof. On any poll, each shareholder of record holding common shares of the Corporation on the Record Date is entitled to one vote for each common share registered in his or her name on the list of shareholders as at the Record Date.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many shareholders as a substantial number of shareholders do not hold common shares in their own name. Shareholders who do not hold their common shares in their own name (referred to in this information circular as "Beneficial Shareholders") should note that only Proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then, in

almost all cases, those common shares will not be registered in the shareholder's name on the records of the Corporation. Such common shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such common shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of Proxy or voting instruction form ("VIF") provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the common shares on how to vote such shares on behalf of the Beneficial Shareholder.

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

The Corporation has decided to take advantage of those provisions of National Instrument 54-101 that permit it to directly deliver proxy-related materials to its beneficial owners who do not object to the issuers of the securities they own knowing who they are (called "NOBOs" for Non-Objecting Beneficial Owners). As a result, NOBOs can expect to receive a scannable VIF from Computershare. These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and Internet voting as described on the VIF itself, which contains complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs it receives. The Corporation will not pay for an intermediary to deliver proxy-related materials and VIFs to objecting beneficial owners (called "OBOs" for Objecting Beneficial Owners). OBOs have objected to their intermediary disclosing ownership information about themselves to the Corporation. Accordingly, OBOs will not receive the materials unless their intermediary assumes the costs of delivery.

This information circular and accompanying Proxy are being sent to both registered and non-registered owners of the shares of the Corporation. If you are a non-registered owner and the Corporation 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. In this event, by choosing to send this information circular and accompanying Proxy to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering this information circular to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

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

PRINCIPAL HOLDERS OF VOTING SHARES

To the knowledge of the directors and senior officers of the Corporation, as of the Record Date, the following persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, common shares carrying more than 10% of the voting rights attached to all outstanding common shares of the Corporation:

Name of Shareholder	Number of Shares	Percentage of Issued and Outstanding
Burton Egger	1,371,5654	13.42%

FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the year ended December 31, 2016 (the "Financial Statements"), together with the auditor's report thereon, will be presented to shareholders at the Meeting. The Financial Statements, the auditor's report thereon together with Management Discussion and Analysis ("MD&A") for the financial year ended December 31, 2016 are available on SEDAR at www.sedar.com. The Notice of Annual General and Special Meeting of Shareholders, Information Circular, Request for Financial Statements (NI 51-102) and form of Proxy will be available from Computershare, 510 Burrard Street, 2nd floor, Vancouver, British Columbia, V6C 3B9, or from the Corporation's head office, 12216 Boundary Drive North, Surrey, British Columbia, V3X 1Z5.

REQUEST FOR FINANCIAL STATEMENTS

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

AUDIT COMMITTEE DISCLOSURE

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

EXECUTIVE COMPENSATION

Definitions: For the purpose of this information circular:

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

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

"**closing market price**" means the price at which the Corporation's security was last sold, on the applicable date, in the security's principal marketplace in Canada;

"**equity incentive plan**" means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 Share-based Payment;

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

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

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

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

"**Named Executive Officers**" or "**NEOs**" means the following individuals:

- (a) each CEO;
- (b) each CFO;
- (c) each of the Corporation's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each additional individual who would be a NEO under (c) above, but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of the most recently completed financial year;

"**non-equity incentive plan**" means an incentive plan or portion of an incentive plan that is not an equity incentive plan;

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

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

"**replacement grant**" means an option that a reasonable person would consider to be granted in relation to a prior or potential cancellation of an option;

"**repricing**" means, in relation to an option, adjusting or amending the exercise or base price of the option, but excludes any adjustment or amendment that equally affects all holders of the class of securities underlying the option and occurs through the operation of a formula or mechanism in, or applicable to, the option; and

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

STATEMENT OF EXECUTIVE COMPENSATION

In accordance with the provisions of applicable securities legislation, during the financial year ended December 31, 2016, the Corporation had three Named Executive Officers, namely:

- (a) William C. Pettigrew, who has served as the President and Chief Executive Officer of the Corporation since March 21, 2014 and as the Chief Financial Officer of the Corporation from June 18, 2002 to March 21, 2014; and
- (b) Ryan E. Cheung who has served as the Chief Financial Officer and Corporate Secretary since March 21, 2014.

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Corporation's Named Executive Officers has been established with a view to attracting and retaining executives critical to the Corporation's short and long-term success and to continuing to provide executives with compensation that is in accordance with existing market standards generally and competitive within the mining industry, in particular.

The Board of Directors of the Corporation (the "Board of Directors" or "Board") determines NEO compensation and director compensation. Compensation of the Corporation's named executive officers is typically comprised of a base salary and the grant of options to purchase common shares under the Corporation's stock option plan (as more particularly described below), and as circumstances permit may include a bonus based on the satisfaction of performance milestones. Through its executive compensation practices, the Corporation seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Corporation's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Corporation's strategic objectives, motivate and reward executives whose knowledge, skills and performances are critical to the Corporation's success, align the interests of the Corporation's executives and shareholders by motivating executives to increase shareholder value.

Within the context of the overall objectives of the Corporation's compensation practices, the Corporation determined the specific amounts of compensation to be paid to each of its Named Executive Officers in the 2016 fiscal year were based on a number of factors, including (a) the Corporation's understanding of the amount of compensation generally paid by similarly situated companies to their executives with similar roles and responsibilities; (b) the current competitive market conditions; (c) the Corporation's executive performance during the fiscal year; (d) the roles and responsibilities of the Corporation's Named Executive Officers; (e) the individual experience and skills of, and expected contributions from, the Corporation's Named Executive Officers; (f) the Corporation's Named Executive Officers' historical compensation and performance within the Corporation; and (g) any contractual commitments the Corporation has made to its Named Executive Officers regarding compensation.

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

BASE SALARY

The Corporation's approach is to pay its Named Executive Officers a base salary that is competitive with those of other executive officers in similar companies. The Board of Directors relies on the general experience of its members in setting base salary amounts. The Corporation believes that a competitive base salary is a necessary element of any compensation program that is designed to attract and retain talented and experienced executives. The Corporation also believes that attractive base salaries can motivate and reward executives for their overall performance. The base salary of each Named Executive Officer is reviewed annually and may be adjusted in accordance with the terms of such Named Executive Officer's employment agreement, where applicable, and certain criteria including, without limitation (a) past salary; (b) changes in the compensation for similar companies with which the Corporation competes for executive talent; and (c) changes in the duties and responsibilities. Base salary is not evaluated against a formal "peer group".

STOCK OPTIONS

The Corporation's granting of options to purchase common shares to its executive officers is a method of compensation, which is used to attract and retain personnel and to provide an incentive to participate in the long-term development of the Corporation and to increase shareholder value. The relative emphasis of options for remunerating executive officers and employees will generally vary depending on the prevailing practices in competing companies and on the number of options to purchase common shares that are outstanding at the time. During the fiscal year ended December 31, 2016, no stock options were granted to the Named Executive Officers. The Corporation generally expects future option grants should be based on the following factors: the executive's past performance, anticipated future contribution, prior option grants to such executive, competitive market practices and the executive's responsibilities and performances. The Corporation has not set specific target levels for options to Named Executive Officers but seeks to be competitive with similar companies. For further details as to the specific terms of the Corporation's stock option plan, see below under the heading "Particulars of Other Matters to be Acted Upon – Adoption and Approval of Amended Stock Option Plan".

STOCK OPTION PLAN

The Corporation currently has a "fixed" stock option plan (the "Option Plan"), which was approved by shareholders at the Corporation's June 28, 2016 annual general and special meeting (the "2016 AGM"), pursuant to which its directors, officers, employees and consultants may be granted options to acquire common shares of the Corporation as an incentive mechanism to foster their interest in the success of the Corporation and to encourage their proprietary ownership of the Corporation. Pursuant to the Option Plan, the aggregate number of common shares that may be reserved for issuance thereunder is limited to a fixed maximum of 20% of the issued common shares of the Corporation as at the date of the 2016 AGM, being 1,544,126 common shares of the Corporation.

The Corporation is seeking the approval of the shareholders at the Meeting to adopt and approve its Amended Option Plan (as defined herein). The significant terms of the Corporation's Amended Option Plan are set out below under the heading "Particulars of Other Matters to be Acted Upon – Adoption and Approval of Amended Stock Option Plan".

SHARE COMPENSATION AWARDS

The Corporation has not granted any share-based awards.

USE OF FINANCIAL INSTRUMENTS

The Corporation does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director having purchased such an instrument.

NAMED EXECUTIVE OFFICER COMPENSATION

The following table sets forth information concerning the total compensation paid during the two years ended December 31, 2016 and 2015 to the Named Executive Officers.

SUMMARY COMPENSATION TABLE

NEO Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
William C. Pettigrew ⁽¹⁾ President, CEO and a Director; Former CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	4,000 ⁽²⁾	Nil	Nil	Nil	Nil	4,000
Ryan Cheung ⁽³⁾ CFO and a Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) William C. Pettigrew was appointed as the President and Chief Executive Officer of the Corporation on March 21, 2014 and served as the Chief Financial Officer of the Corporation from June 18, 2002 to March 21, 2014.
- (2) Paid to Einra Capital Corp., a private company controlled by William C. Pettigrew, the Corporation's President, Chief Executive Officer and a director.
- (3) Ryan Cheung was appointed as the Chief Financial Officer of the Corporation on March 21, 2014.

INCENTIVE PLAN AWARDS

Stock Options and Other Compensation Securities

The Corporation has in effect the Option Plan in order to provide effective incentives to directors, officers, senior management personnel and employees of the Corporation and to enable the Corporation to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Corporation's shareholders. The Corporation has no equity compensation plans other than the Option Plan.

The following table sets forth information concerning all awards outstanding at the end of the most recently completed financial year end, namely December 31, 2016, for each Named Executive Officer.

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
William C. Pettigrew CEO	Stock options	Nil	N/A	N/A	N/A	N/A	N/A
Ryan Cheung CFO	Stock options	Nil	N/A	N/A	N/A	N/A	N/A

The following table sets forth information concerning all awards exercised during the most recently completed financial year ended December 31, 2016, for each named executive officer.

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security or underlying security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
William C. Pettigrew CEO	Stock options	Nil	N/A	N/A	N/A	N/A	N/A
Ryan Cheung CFO	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A

Incentive Plan Awards – Value Vested or Earned During the Year

No stock options vested to the Named Executive Officers of the Corporation during the year ended December 31, 2016. The following table summarizes, for the Named Executive Officers of the Corporation, the value of options vested or earned during the year ended December 31, 2016.

NEO Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
William C. Pettigrew	Nil	N/A	Nil
Ryan Cheung	Nil	N/A	Nil

Note:

(1) The Corporation has not granted any share-based awards.

Plan-based Awards

No stock options were granted under the Corporation's Option Plan to officers, directors and consultants of the Corporation during the most recently completed financial year ended December 31, 2016. The significant terms of the Corporation's proposed Option Plan are set out below under the heading "Particulars of Other Matters to be Acted Upon – Adoption and Approval of Amended Stock Option Plan".

PENSION PLAN BENEFITS

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

TERMINATION AND CHANGE OF CONTROL BENEFITS

There are no contracts, agreements or plans of arrangement that provide for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in a Named Executive Officer's responsibilities.

DIRECTOR COMPENSATION

During the year ended December 31, 2016, the Corporation had four directors, two of whom were also Named Executive Officers of the Corporation, namely William C. Pettigrew and Ryan Cheung. For a description of the compensation paid to the Named Executive Officers of the Corporation who also act as a director of the Corporation, see "Summary Compensation Table" above. The Corporation does not have any non-cash compensation arrangements under which directors were compensated for their services or for services as consultants or experts during the Corporation's most recently completed financial year ended December 31, 2016. The following table discloses all amounts of compensation paid to the directors of the Corporation, other than Named Executive Officers, during the most recently completed financial year ended December 31, 2016:

DIRECTORS COMPENSATION TABLE

Director Name and Principal Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Donna M. Moroney	2016	Nil	Nil	Nil	Nil	Nil	Nil
John A. Prentice	2016	Nil	Nil	Nil	Nil	Nil	Nil

Except as stated above, the Corporation does not have any other arrangements pursuant to which directors are compensated by the Corporation or its subsidiaries for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts during

the most recently completed financial year or subsequently, up to and including the date of this information circular.

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

Incentive Plan Awards

The following table sets forth information concerning all awards outstanding at the end of the most recently completed financial year ended, namely December 31, 2016, for each director of the Corporation other than William C. Pettigrew and Ryan Cheung, who are the Named Executive Officers of the Corporation. Messrs. Cheung's and Pettigrew's incentive plan awards information are set out under "Statement of Executive Compensation – Incentive Plan Awards" above.

COMPENSATION SECURITIES							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage ⁽¹⁾ of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end ⁽²⁾ (\$)	Expiry date
Donna M. Moroney Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A
John A. Prentice Director	Stock Options	Nil	N/A	N/A	N/A	N/A	N/A

There were no incentive plan awards outstanding at the end of the most recently completed financial year ended December 31, 2016, for each director of the Corporation other than the Named Executive Officers.

Incentive Plan Awards – Value Vested or Earned During the Year

No stock options vested to the directors of the Corporation during the year ended December 31, 2016. During the financial year ended December 31, 2016, none of the directors of the Corporation exercised their stock options. The following tables summarize, for each director of the Corporation other than William C. Pettigrew and Ryan E. Cheung, the value of options vested or earned during the year ended December 31, 2016.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Donna M. Moroney	Nil	N/A	Nil
John A. Prentice	Nil	N/A	Nil

Plan-based Awards

No stock options were granted under the Corporation's Option Plan to officers, directors and consultants of the Corporation during the most recently completed financial year ended December 31, 2016. The significant terms of the Corporation's proposed Amended Option Plan are set out below under the heading "Particulars of Other Matters to be Acted Upon – Adoption and Approval of Amended Stock Option Plan".

MANAGEMENT CONTRACTS

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

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out particulars of the compensation plans under which equity securities of the Corporation are authorized for issuance as of December 31, 2015:

EQUITY COMPENSATION PLAN INFORMATION

Plan Category	A Number of securities to be issued upon exercise of outstanding options, warrants and rights	B Weighted average exercise price of outstanding options, warrants and rights	C Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column A)
Equity compensation plans approved by securityholders	Nil	N/A	1,544,126 ⁽¹⁾
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
TOTALS:	Nil		1,544,126

Note:

(1) Represents the Option Plan of the Corporation.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this information circular, none of the Corporation's executive officers, directors, employees or former executive officers, directors and employees of the Corporation or any of its subsidiaries were indebted to the Corporation or any of its subsidiaries or any other entity in connection with the purchase of securities and all other indebtedness in respect of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries. "Support agreement" includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing

of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

At no time during the year ended December 31, 2016, was any director or executive officer of the Corporation, or proposed nominee for election as a director of the Corporation, or any associate of any such director, executive officer or proposed nominee, indebted to the Corporation or any of its subsidiaries, or has been indebted to another entity in respect of a securities purchase or other program in respect of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

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

Since January 1, 2016, no

- (a) person who has been a director or executive officer of the Corporation;
- (b) proposed nominee for election as a director of the Corporation; and
- (c) associate or affiliate of any of the foregoing persons,

has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon except as set out herein and below (other than the election of directors or the appointment of auditors).

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

Except as disclosed elsewhere in this information circular or in the notes to the Financial Statements for the financial year ended December 31, 2016, none of:

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

has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

RE-APPOINTMENT AND REMUNERATION OF AUDITOR

Shareholders will be asked to approve the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as the auditor of the Corporation to

hold office until the next annual general meeting of the Shareholders at remuneration to be fixed by the Board of Directors.

FIXING THE NUMBER OF DIRECTORS AND ELECTION OF DIRECTORS

FIXING THE NUMBER OF DIRECTORS

The Board of Directors presently consists of four directors. The term of office of each of the present directors expires at the Meeting. At the Meeting, it is intended to fix the number of directors at four and to elect four directors for the ensuing year. Although management is nominating four individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting. Each director of the Corporation is elected annually and holds office until the next annual general meeting of shareholders, until his or her successor is duly elected, or until his or her resignation as a director.

INFORMATION CONCERNING NOMINEES SUBMITTED BY MANAGEMENT

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

Name, Province/State and Country of Residence ⁽¹⁾ and Positions held with the Corporation	Principal Occupation and, IF NOT at Present an Elected Director, Occupation During the Past Five Years ⁽¹⁾	Date First Became a Director	No. of Shares Beneficially Owned, Directly or Indirectly ⁽²⁾
William C. Pettigrew BC, Canada President, Chief Executive Officer and Director	Consultant	Jun. 18, 2002	637,073 ⁽³⁾
Ryan E. Cheung BC, Canada Chief Financial Officer, Corporate Secretary and Director	Proprietor of MCPA Services Inc., a public advisory practice licensed by the Chartered Professional Accountants of British Columbia.	Mar. 10, 2009	181,250
Donna M. Moroney BC, Canada Director	President, Wiklow Corporate Services Inc., a private company owned by Donna M. Moroney; Corporate Secretary, Tanzanian Royalty Exploration Corporation, Tango Mining Limited, Bayhorse Silver Inc. and Blox, Inc.	Mar. 21, 2014	110,000
John A. Prentice BC, Canada Director	Semi-retired business consultant	Jun. 3, 2013	346,400

Notes:

- (1) The information as to the province and country of residence and principal occupation, not being within the knowledge of the Corporation, has been furnished by the respective directors individually as of August 24, 2017 being the Record Date of this information circular.

- (2) *The information as to shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Corporation, has been furnished by the respective directors.*
- (3) *Out of these shares, 263,875 of these shares are held by Einra Capital Corp., a company wholly-owned by William C. Pettigrew, and 373,198 of these shares are held directly by Mr. Pettigrew.*

In the absence of instructions to the contrary, the shares represented by Proxy will be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director but if that should occur for any reason prior to the Meeting, the persons named in the accompanying form of Proxy reserve the right to vote for another nominee in their discretion unless authority to vote in the election of directors is withheld.

The current members of the Corporation's Audit Committee are Ryan E. Cheung, Donna M. Moroney and John A. Prentice. Certain disclosures concerning the Audit Committee in accordance with the requirements of Form 52-110F2 of National Instrument 52-110, including the Audit Committee's Charter and disclosures concerning the financial literacy and independence of the Audit Committee members, are attached hereto as Schedule "A". The Corporation does not, at present, have an executive committee of its board of directors.

Certain disclosures concerning the corporate governance practices of the Corporation in accordance with the requirements of Form 58-101F2 Corporate Governance Disclosure (Venture Issuers) are attached hereto as Appendix "B".

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

1. as at the date of the information circular, or has been, within 10 years before the date of this information circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
 - (a) was the subject of a cease trade order (including a management cease trade order which applies to directors or executive officers), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, that was issued while such person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (b) was subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer;
 - (i) is, as at the date of this information circular, or has been within 10 years before the date of the information circular, a director or executive officer of any company (including the Corporation) 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;
 - (ii) 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

2. has been subject to:
- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority since December 31, 2000 or before December 31, 2000 the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director; or
 - (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

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

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

ADOPTION AND APPROVAL OF AMENDED STOCK OPTION PLAN

The Corporation currently has a "fixed" stock option plan (previously defined as the "Option Plan") which was approved by shareholders at the 2016 AGM, pursuant to which its directors, officers, employees and consultants may be granted options to acquire common shares of the Corporation as an incentive mechanism to foster their interest in the success of the Corporation and to encourage their proprietary ownership of the Corporation. Pursuant to the Option Plan, the aggregate number of common shares that may be reserved for issuance thereunder is limited to 1,544,126 common shares of the Corporation, being the fixed maximum of 20% of the issued shares of the Corporation as at the date of the 2016 AGM.

At the Meeting, shareholders will be asked to consider and, if deemed advisable, to pass an ordinary resolution authorizing an amendment to the Option Plan (the "Amended Option Plan") to increase the aggregate number of common shares that may be issued pursuant to options granted under the Amended Option Plan to 20% of the issued shares of the Corporation as at the date of the Meeting, less the aggregate number of common shares then reserved for issuance pursuant to any other share compensation arrangement. Some of the key provisions of the proposed Amended Option Plan are as follows:

- (a) the Amended Option Plan reserves, for issuance pursuant to the exercise of stock options, a maximum number of common shares of the Corporation equal to up to a maximum of 2,044,126 common shares of the Corporation, being 20% of the issued common shares of the Corporation, less the aggregate number of common shares then reserved for issuance pursuant to any other share compensation arrangement;
- (b) under Exchange policy, an Optionee must either be an Eligible Charitable Organization or a Director, Employee or Consultant of the Corporation at the time the option is granted in order to be eligible for the grant of a stock option to the Optionee;
- (c) the aggregate number of options granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued common shares of the Corporation calculated on the date an option is granted to the Person (unless the Corporation has obtained the requisite Disinterested Shareholder Approval);

- (d) the aggregate number of options granted to any one Consultant in a 12 month period must not exceed 2% of the issued common shares of the Corporation, calculated at the date an option is granted to the Consultant;
- (e) the aggregate number of options granted to all Persons retained to provide Investor Relations Activities must not exceed 2% of the issued shares of the Corporation in any 12 month period, calculated at the date an option is granted to any such Person;
- (f) options issued to Persons retained to provide Investor Relations Activities must vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any 3 month period;
- (g) the minimum exercise price per common share of a stock option must not be less than the Discounted Market Price of the common shares of the Corporation, subject to a minimum exercise price of \$0.05;
- (h) options can be exercisable for a maximum of 10 years from the date of grant (subject to extension where the expiry date falls within a "blackout period" (see (p) below);
- (i) if an optionee who is Director, Employee or Consultant is terminated for cause, each stock option held by such optionee shall terminate and cease to be exercisable upon such termination;
- (j) if an optionee dies prior to otherwise ceasing to be a Director, Employee or Consultant of the Corporation or its subsidiaries, if any, at the time the option is granted (an "Eligible Person") (and includes companies that are wholly owned by Eligible Persons), each stock option held by such optionee shall terminate and cease to be exercisable no later than the earlier of the last day of the term for a stock option and the date which is six months after the date of the optionee's death. The board of directors of the Corporation may, in its discretion, extend the date of such termination and the resulting period in which such stock options remains exercisable to a date not exceeding the earlier of the last day of the term for a stock option and the date which is twelve months after the date of the optionee's death;
- (k) if an optionee ceases to be an Eligible Person otherwise than by death, each stock option held by such optionee shall terminate and cease to be exercisable 90 days after the termination date;
- (l) all options are non-assignable and non-transferable;
- (m) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of a stock option if the Optionee is an Insider of the Corporation at the time of the proposed amendment;
- (n) the Amended Option Plan contains provisions for adjustment in the number of common shares or other property issuable on exercise of a stock option in the event of a share consolidation, split, reclassification or other capital reorganization, or a stock dividend, amalgamation, merger or other relevant corporate transaction, or any other relevant change in or event affecting the common shares;
- (o) in connection with the exercise of an Option, as a condition to such exercise the Corporation shall require the optionee to pay to the Corporation an amount as necessary so as to ensure that the Corporation is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Option; and

- (p) an Option will be automatically extended past its expiry date if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options, subject to the following requirements: (a) the blackout period must (i) be formally imposed by the Corporation pursuant to its internal trading policies; and (ii) must expire upon the general disclosure of undisclosed Material Information; and (b) the automatic extension of an optionee's Option will not be permitted where the optionee or the Corporation is subject to a cease trade order (or similar order under Securities Laws) in respect of the Corporation's securities.

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

Pursuant to the Board's authority to govern the implementation and administration of the Corporation's stock option plan, all previously granted and outstanding stock options shall be governed by the provisions of the Amended Option Plan.

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

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

A copy of the proposed Amended Option Plan is available on request from the Corporation, and copies will be available at the Meeting. Management recommends, and the persons named in the enclosed form of Proxy intend to vote in favour of, the adoption and approval of the Amended Option Plan.

OTHER MATTERS

Management of the Corporation knows of no other matters to come before the Meeting other than those referred to in the notice of annual general and special 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.

GENERAL

On any ballot that may be called for with respect to the matters described in the notice calling the Meeting, the shares represented by each properly executed Proxy appointing one of the persons named by management in the accompanying form of Proxy will be voted in the fixing of the number of directors, the election of the named directors, and the appointment of auditors and the fixing of their remuneration, unless the specifications in the Proxy direct the shares to be withheld from voting.

The accompanying form of Proxy, when properly signed, confers discretionary authority with respect to amendments or variations to matters identified in the accompanying notice of annual general and special meeting and other matters that may properly come before the Meeting. Management of the Corporation presently knows of no such amendments, variations or other matters to come before the Meeting.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR at www.sedar.com. Financial information relating to the Corporation is provided in the Corporation's Financial Statements and MD&A for the financial year ended December 31, 2016. Shareholders may contact the Corporation to request copies of Financial Statements and MD&A at its head office, 12216 Boundary Drive North, Surrey, British Columbia, V3X 1Z5.

APPROVAL OF THE DIRECTORS

The contents of this information circular and the sending of same to each director and Shareholder of the Corporation and to the auditors of the Corporation has been approved by the directors of the Corporation.

Dated at Surrey, British Columbia, this 30th day of August, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

MIDASCO CAPITAL CORP.

"William C. Pettigrew"

William C. Pettigrew,
President, Chief Executive Officer and a Director

SCHEDULE "A"

MIDASCO CAPITAL CORP.

**FORM 52-110F2
AUDIT COMMITTEE DISCLOSURE**

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

PURPOSE

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

COMPOSITION, PROCEDURES AND ORGANIZATION

- (1) The Committee shall consist of at least three members of the Board.
- (2) At least two (2) members of the Committee shall be independent and the Committee shall endeavour to appoint a majority of independent directors to the Committee in accordance with National Instrument 52-110, who in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.
- (3) The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.
- (4) Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

- (5) The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.
- (6) The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.
- (7) Meetings of the Committee shall be conducted as follows:
 - (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;
 - (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and
 - (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.
- (8) The internal auditors and the external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

ROLES AND RESPONSIBILITIES

- (9) The overall duties and responsibilities of the Committee shall be as follows:
 - (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;
 - (b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;
 - (c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and
 - (d) to report regularly to the Board on the fulfilment of its duties and responsibilities.
- (10) The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:
 - (a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;
 - (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;

- (c) review the audit plan of the external auditors prior to the commencement of the audit;
 - (d) to review with the external auditors, upon completion of their audit:
 - (A) contents of their report;
 - (B) scope and quality of the audit work performed;
 - (C) adequacy of the Corporation's financial and auditing personnel;
 - (D) co-operation received from the Corporation's personnel during the audit;
 - (E) internal resources used;
 - (F) significant transactions outside of the normal business of the Corporation;
 - (G) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (H) the non-audit services provided by the external auditors;
 - (e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and
 - (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.
- (11) The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:
- (a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
 - (b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
 - (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and
 - (d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.
- (12) The Committee is also charged with the responsibility to:
- (a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

- (b) review and approve the financial sections of:
 - (A) the annual report to Shareholders;
 - (B) the annual information form, if required;
 - (C) annual and interim MD&A;
 - (D) prospectuses;
 - (E) news releases discussing financial results of the Corporation; and
 - (F) other public reports of a financial nature requiring approval by the Board,and report to the Board with respect thereto;
 - (c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;
 - (d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
 - (e) review and report on the integrity of the Corporation's consolidated financial statements;
 - (f) review the minutes of any audit committee meeting of subsidiary companies;
 - (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;
 - (h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and
 - (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.
- (13) The Committee shall have the authority:
- (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,
 - (b) to set and pay the compensation for any advisors employed by the Committee; and
 - (c) to communicate directly with the internal and external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Ryan Cheung, Donna M. Moroney and John A. Prentice. All of the members are financially literate. John A. Prentice and Donna M. Moroney are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with the audit committee member's ability to act with the best interests of the Corporation, other than the interests and relationships arising from shareholdings. "Independent" and "financially literate" have the meaning used in National Instrument 52-110 ("NI 52-110") of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

In addition to each member's general business experience, the education and experience of each Committee member relevant to the performance of his responsibilities as a Committee member is as follows:

Ryan E. Cheung holds an International Business degree from the University of Victoria and is an active member of the Institute of Chartered Accountants of British Columbia. Before starting his own advisory practice, Mr. Cheung spent several years in public practice providing assurance and advisory services for a prominent public accounting firm in Vancouver, British Columbia. He has a strong background in public company financial reporting, risk management, and strategic finance.

Donna M. Moroney has over 30 years of extensive experience in regulatory and corporate compliance in both Canada and the United States, and as a senior officer for various public companies. She has previously acted as CFO for TSX.V listed companies.

John A. Prentice is a semi-retired business consultant. He previously was Vice-President & General Manager Western Canada for a multi-national food importer and processor. Mr. Prentice's responsibilities included budget preparations and the overall financial performance of the western division from no revenue to over 15 million a year.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

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

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

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

ITEM 7: EXTERNAL AUDITOR SERVICE FEES (BY CATEGORY)

The aggregate fees charged to the Corporation by the external auditor in each of the last two fiscal years (excluding GST thereon) is as follows:

	<u>FYE 2016</u>	<u>FYE 2015</u>
Audit fees for the year ended December 31	\$5,000	\$ 6,000
Audit related fees	\$Nil	\$ 120
Tax fees	\$Nil	\$ Nil
All other fees (non-tax)	\$Nil	\$ Nil
Total Fees:	\$5,000	\$ 6,120

ITEM 8: EXEMPTION

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

SCHEDULE "B"

MIDASCO CAPITAL CORP. (the "Corporation")

CORPORATE GOVERNANCE

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

ITEM 1. BOARD OF DIRECTORS

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

John A. Prentice and Donna M. Moroney are "independent" in that they are independent and free from any interest and any business or other relationship which could or could reasonably be perceived to, materially interfere with a director's ability to act with the best interests of the Corporation, other than the interests and relationships arising from shareholdings. William C. Pettigrew and Ryan Cheung are both considered not to be "independent" because they are also executive officers of the Corporation.

ITEM 2. DIRECTORSHIPS

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

Name of Director	Name of Reporting Issuer
Ryan E. Cheung	Ashanti Sankofa Inc. Deep-South Resources Inc. UWO Consulting Ltd. Senator Minerals Inc. Canex Energy Corp. Clean Commodities Corp. Big Wind Capital Inc. Ironside Resources Inc. Rockwealth Resources Corp. Calaveras Resource Corp. Maxtech Ventures Inc. Four Nines Gold Inc.
Donna M. Moroney	Ashanti Sankofa Inc.

ITEM 3. ORIENTATION AND CONTINUING EDUCATION

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

ITEM 4. ETHICAL BUSINESS CONDUCT

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

Under the corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, and disclose to the board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The director must then abstain from voting on the contract or transaction unless the contract or transaction (i) relates primarily to their remuneration as a director, officer, employee or agent of the Corporation or an affiliate of the Corporation, (ii) is for indemnity or insurance for the benefit of the director in connection with the Corporation, or (iii) is with an affiliate of the Corporation. If the director abstains from voting after disclosure of their interest, the directors approve the contract or transaction and the contract or transaction was reasonable and fair to the Corporation at the time it was entered into, the contract or transaction is not invalid and the director is not accountable to the Corporation for any profit realized from the contract or transaction. Otherwise, the director must have acted honestly and in good faith, the contract or transaction must have been reasonable and fair to the Corporation and the contract or transaction be approved by the shareholders by a special resolution after receiving full disclosure of its terms in order for the director to avoid such liability or the contract or transaction being invalid.

ITEM 5. NOMINATION OF DIRECTORS

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

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

ITEM 6. COMPENSATION

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

ITEM 7. OTHER BOARD COMMITTEES

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

ITEM 8. ASSESSMENTS

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