

**TORQ RESOURCES INC.**  
**(Formerly, Stratton Resources Inc.)**

**Suite 600 – 1199 West Hastings Street**  
**Vancouver, British Columbia V6E 3T5**  
**Telephone No.: (778) 729-0600 Fax No.: (778) 729-0650**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TAKE NOTICE** that the annual general meeting (the “**Meeting**”) of shareholders of **Torq Resources Inc.** (the “**Company**”) will be held at Suite 600, 1199 West Hastings Street, Vancouver, British Columbia, on June 8, 2017, at 10:00 a.m., local time, for the following purposes:

1. To receive and consider the financial statements of the Company for its fiscal year ended December 31, 2016, together with the auditor’s report thereon;
2. To elect directors of the Company for the ensuing year;
3. To appoint the auditors of the Company for the ensuing year; and
4. To ratify and approve continuation of the share option plan, as described in the Information Circular.

The Company has elected to use the notice-and-access provisions under National Instrument 54-101 and National Instrument 51-102 (“**Notice-and-Access Provisions**”) for this Meeting. Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators which reduce the volume of materials that must be physically mailed to Shareholders by allowing the Company to post the Information Circular and any additional materials online. Shareholders will still receive this Notice of Meeting and a form of proxy and may choose to receive a hard copy of the Information Circular. The Company will not use procedures known as ‘stratification’ in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of the Circular to some shareholders with a notice package. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of the Information Circular.

The Information Circular is available on the Company’s website at <http://www.Torqresources.com/media/Torq-agm-2017.pdf>. Any Shareholder who wishes to receive a paper copy of the Information Circular, should contact the Company at Suite 600, 1199 West Hastings Street, Vancouver, British Columbia V6E 3T5, Toll Free: 1-800-863-8655 or by fax: 778-729-0650. A Shareholder may also use the toll-free number noted above to obtain additional information about the Notice-and-Access Provisions.

Under Notice-and-Access Provisions, meeting related materials will be available for viewing for up to 1 year from the date of posting and a paper copy of the materials can be requested at any time during this period. In order to allow for reasonable time to be allotted for a Shareholder to receive and review a paper copy of the Information Circular prior to the Proxy Deadline, any Shareholder wishing to request a paper copy of the Information Circular as described above, should ensure such request is received by 10 a.m. (Vancouver time) on approximately June 6, 2017.

The Information Circular contains details of matters to be considered at the Meeting.

No other matters are contemplated, however any permitted amendment to or variation of any matter identified in this Notice may properly be considered at the Meeting. The Meeting may also consider the transaction of such other business as may properly come before the Meeting or any adjournment thereof.

**Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and execute the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.**

**Non-registered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account you are not a registered shareholder.**

**DATED** at Vancouver, British Columbia, April 27, 2017.

**BY ORDER OF THE BOARD**

*“Michael Kosowan”*

**Michael Kosowan  
President and Chief Executive Officer**

**TORQ RESOURCES INC.**  
(Formerly, Stratton Resources Inc.)

**Suite 600 – 1199 West Hastings Street  
Vancouver, British Columbia V6E 3T5  
Telephone No.: (778) 729-0500 Fax No.: (778) 729-0650  
Email: info@Torqresources.com**

**INFORMATION CIRCULAR**  
as at April 24, 2017  
(*except as otherwise indicate*)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of Torq Resources Inc. for use at the annual general meeting (the “Meeting”) of its shareholders to be held on June 8, 2017 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”, “our” and “Torq” refer to **Torq Resources Inc.** “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.

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

The solicitation of proxies will be primarily by mail, subject to the use of Notice-and-Access Provisions in relation to the delivery of the Circular, 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.

**Notice-and-Access**

Notice-and-Access means provisions (“Notice-and-Access Provisions”) concerning the delivery of proxy-related materials to Shareholders found in section 9.1.1. of National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”), in the case of registered Shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“NI 54-101”), in the case of beneficial (non-registered) Shareholders, which allow an issuer to deliver an information circular forming part of proxy-related materials to Shareholders via certain specified electronic means provided that the conditions of NI 51-102 and NI 54-101 are met.

Notice-and-Access Provisions are a mechanism which allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer’s website and sometimes the transfer agent’s website) rather than delivering such materials by mail. Notice-and-Access Provisions can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and beneficial owners are entitled to request delivery of a paper copy of the information circular at the reporting issuer’s expense.

The use of Notice-and-Access Provisions reduces paper waste and mailing costs to the issuer. In order for the Company to utilize Notice-and-Access Provisions to deliver proxy-related materials by posting an information circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Company must send a notice to Shareholders, including Non-Registered Holders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain from the Company, a paper copy of those materials. This Information Circular has been posted in full on the Company's website at <http://www.Torqresources.com/media/Torq-agm-2017.pdf> and under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

In order to use Notice-and-Access Provisions, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the materials to be posted on the applicable website and other materials to be delivered to Shareholders. The requirements of that notice, which require the Company to provide basic information about the Meeting and the matters to be voted on, explain how a Shareholder can obtain a paper copy of the Information Circular and any related financial statements and Management Discussion and Analysis ("MD&A"), and explain the Notice-and-Access Provisions process, have been built into the Notice of Meeting. The Notice of Meeting has been delivered to Shareholders by the Company, along with the applicable voting document (a form of proxy in the case of registered Shareholders or a voting instruction form in the case of Non-Registered Holders).

The Company will not rely upon the use of 'stratification'. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of its information circular with the notice to be provided to shareholders as described above. In relation to the Meeting, all Shareholders will receive the required documentation under the Notice-and-Access Provisions and all documents required to vote in respect of all matters to be voted on at the Meeting. No Shareholder will receive a paper copy of the information circular from the Company or any intermediary unless such Shareholder specifically requests same.

**Any Shareholder who wishes to receive a paper copy of this Information Circular must make contact with the Company at Suite 600 – 1199 West Hastings Street, Vancouver, British Columbia, Tel: (778) 729-0500 or Fax: (778) 729-0650.** In order to ensure that a paper copy of the Information Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Information Circular and return a proxy or voting instruction form prior to the Proxy Deadline, it is strongly suggested that a Shareholder ensure their request is received no later than May 23, 2017.

All Shareholders may call **1-800-863-8655 (toll-free)** in order to obtain additional information relating to Notice-and-Access Provisions or to obtain a paper copy of the Information Circular, up to and including the date of the Meeting, including any adjournment of the Meeting.

In accordance with the requirements of NI 54-101, the Company distributes copies of the Notice of Meeting, this Information Circular and the form of Proxy (collectively, the "Meeting Materials") to the Depository and Intermediaries for onward distribution to Beneficial Shareholders. The Company does not send Meeting materials directly to Beneficial Shareholders. Intermediaries are required to forward the Meeting materials to all Beneficial Shareholders for whom they hold Common Shares unless such Beneficial Shareholders have waived the right to receive them.

### **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 either of the persons designated in the Proxy, who need not be a**

**shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another suitable form of proxy.**

### **Voting by Proxyholder**

The persons named in the Proxy will vote or withhold from voting the Common Shares 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 may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders who wish to submit a proxy may choose one of the following voting options:

- (a) complete, date and sign the Proxy and return it to Computershare, by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, V6C 3B9; or
- (b) use a touch-tone phone to transmit voting choices to the toll free number given in the proxy. Registered shareholders who choose this option 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) via the internet at Computershare's website, [www.investorvote.com](http://www.investorvote.com). Registered shareholders must follow the instructions provided and refer to the enclosed proxy form for the holder's account number and the proxy access number.

In either case registered shareholders must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof. Failure to complete or deposit a proxy properly may result in its invalidation. The time limit for the deposit of proxies may be waived by the Company's board of directors (the "Board") at the discretion of the Board without notice.

## **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 the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) 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 Canada the vast majority of such Common Shares are registered 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), and in the United States, 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).

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: Objecting Beneficial Owners ("OBOs") who object to their name being disclosed to the issuers of securities they own; or Non-Objecting Beneficial Owners ("NOBOs") who do not object to the issuers of the securities they own knowing who they are.

The Company is taking advantage of NI 54-101 provisions permitting it to deliver proxy-related materials directly to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF") from Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company utilizing the Notice-and-Access Provisions. If you are a non-registered owner, and the Company or its agent sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

By choosing to send these materials to you directly utilizing the Notice-and-Access Provisions, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure 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 Canada and in the United States. Broadridge mails a 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 your desired representative (which may be you) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting voting of the 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 involve 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 registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the 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 or at the address of the registered office of the Company at 1500 Royal Centre, 1055 West Georgia Street, P. O. Box 11117, Vancouver, British Columbia, V6E 4N7, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's 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**

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material

interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

The following documents filed with the securities commissions or similar regulatory authority in each of the Provinces of British Columbia, Alberta and Ontario at [www.sedar.com](http://www.sedar.com) are specifically incorporated by reference into, and form an integral part of, this Circular:

- The audited financial statements of the Company for the financial year ended December 31, 2016, the auditor's report thereon and the related management's discussion & analysis are filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

Copies of documents incorporated herein by reference also may be obtained by a Shareholder upon request without charge from the Company's Corporate Secretary at Suite 600, 1199 West Hastings Street, Vancouver, BC, V6E 3T5, Tel: (778) 729-0500, or toll free: 1-800-863-8655 or Fax: (778) 729-0650.

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

The board of directors (the "Board") of the Company has fixed April 24, 2017 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares of the Company are listed on the TSX Venture Exchange (the "TSXV"). The Company is authorized to issue an unlimited number of Common Shares. As of the Record Date, there were 77,124,164 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor is there cumulative or similar voting rights attached to the Common Shares. The Company is also authorized to issue an unlimited number of Preferred Shares without par value. There were no Preferred Shares issued and outstanding as at the Record Date.

To the knowledge of the directors and executive officers of the Company, there were no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as at April 24, 2017.

### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. See "*Particulars of Matters to be Acted Upon*" below. 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 Board has fixed the number of directors to be elected to the Board at five (5). The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is vacated earlier 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.

### Advance Notice Provision

On June 27, 2013, the shareholders of the Company approved an alteration to the Company’s Articles for the purpose of adopting advance notice provisions (the “Advance Notice Provision”). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the BCA or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of the nominations to be considered at a Shareholder meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of Shareholders and it sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person’s term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision which is available in Schedule “A” of the Company’s Information Circular filed on May 31, 2013 under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com)

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 for new director nominees), 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 the Record Date.

<b>Name of Nominee; Current Position with the Company and Province or State and Country of Residence</b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Michael Kosowan Director, President and Chief Executive Officer British Columbia, Canada	Since March 2, 2017	4,964,000 Common Shares
Shawn Wallace <sup>(2)(3)(4)</sup> Director, Co-Chairman of the Board British Columbia, Canada	Since May 20, 2011	5,953,750 Common Shares
Ivan Bebek Director, Co-Chairman of the Board British Columbia, Canada	Since May 20, 2011	5,037,400 Common Shares

<b>Name of Nominee; Current Position with the Company and Province or State and Country of Residence</b>	<b>Period as a Director of the Company</b>	<b>Common Shares Beneficially Owned or Controlled<sup>(1)</sup></b>
Steve Cook <sup>(2)(3)(4)</sup> Director British Columbia, Canada	Since August 12, 2011	1,015,000 Common Shares <sup>(5)</sup>
Alistair Maxwell <sup>(2)(3)(4)</sup> Director Ontario, Canada	Since August 12, 2011	233,330 Common Shares

Notes:

1. The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees. Each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
2. Member of the Audit committee.
3. Member of the Nominating and Governance committee.
4. Member of the Compensation committee.

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

### **Occupation, Business or Employment of Director Nominees**

#### **Michael Kosowan**

Mr. Kosowan is an industry expert with over 20 years experience in the junior mining sector. For the past 17 years, he has been leading mining investment and financings in the USA and Canada through his work with Sprott and other premier brokerage houses. Previously, Mr. Kosowan worked for a number of top tier Canadian mining companies such as Placer Dome, Falconbridge and Inco, as a project Engineer, and for Atapa Minerals in Indonesia and Peru, as an Exploration Manager. Mr. Kosowan holds a Master's of Applied Science degree, is a Mining Engineer (P.Eng.) and a former Investment Advisor of Sprott Private Wealth (Canada) and Sprott Global Resources Inc (USA).

#### **Shawn Wallace**

Mr. Wallace serves as Co-Chairman of the Board together with Ivan Bebek and is one of the founding members of Torq Resources Inc. Mr. Wallace has been involved in all aspects of the mining industry, from mineral exploration and project management, to financing, mergers & acquisitions, and corporate development. Over the past 25 years, Mr. Wallace has been instrumental in building numerous high-quality mineral exploration, development, and production stage companies including co-founding Cayden Resources Inc., which was acquired by Agnico Eagle Mining for \$205 million in November 2014. Mr. Wallace also serves as President, Chief Executive Officer and a Director of Auryn Resources Inc., and is a co-founder and Director of Asanko Gold Inc.

#### **Ivan Bebek**

Mr. Bebek serves as Co-Chairman of the Board together with Shawn Wallace and has over 17 years experience in financing, negotiations, and acquisitions in the mineral exploration industry. His understanding of the capital markets and ability to position, structure and finance companies that he has been associated with has been instrumental in their successes. Mr. Bebek is one of the founding members

of Torq Resources Inc. He formerly was the President, CEO and co-founder of Cayden Resources Inc., which was sold to Agnico Eagle Mining Limited for \$205 million in November 2014, and a co-founder of Keegan Resources Inc. (now Asanko Gold Inc.) Mr. Bebek is also the Executive Chairman and a Director of Auryn Resources Inc.

### **Steve Cook**

Steve Cook is a practicing tax partner at the tax law firm of Thorsteinssons LLP, based in Vancouver, British Columbia. Mr. Cook received his B.Comm. and LL.B. degrees from the University of British Columbia and was called to the British Columbia Bar in 1982 and the Ontario Bar in 1992. Mr. Cook is a specialist in corporate and international tax planning, offshore structures, representation, and civil and criminal tax litigation. Mr. Cook has served on the board of Brett Resources Ltd. prior to it being acquired by Osisko Mining Corp. and Cayden Resources Inc. prior to it being acquired by Agnico Eagle Mining Limited. Mr. Cook currently serves as a director of Auryn Resources Inc.

### **Alistair Maxwell**

Mr. Maxwell is currently the Chairman and Chief Executive Officer of Beacon Securities Inc. and has been active in the financial services industry for over 20 years. Mr. Maxwell is the former President and Chief Executive Officer of Clarus Securities Inc., Head of Sales and Trading at Loewen Ondaatie McCutcheon Ltd. and a financial analyst at the Royal Bank of Canada. Mr. Maxwell holds a Masters degree in Business Administration from the Rotman School of Management and a Bachelor of Arts (Economics) degree from Queen's University. Mr. Maxwell was a director of Cayden Resources Inc. from June 2011 to September 2013, a director of Ferum Americas Mining Inc from December 2011 to December 2014, and a director of SLYCE Inc. from June 2014 to January 2016.

## **APPOINTMENT OF AUDITOR**

Deloitte LLP, Chartered Accountants, Suite 2800, 1055 Dunsmuir St., Vancouver, British Columbia, will be nominated at the Meeting for re-appointment as auditor of the Company. Deloitte LLP has been auditors of the Company since August 12, 2011.

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

National Instrument 52-110 – *Audit Committees* (“NI 52-110”) of the Canadian Securities Administrators 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. Such disclosure is set forth below.

### **The Audit Committee’s Charter**

The audit committee has a charter. A copy of the Audit Committee Charter is set out in the Company’s information circular for the annual general meeting held on June 29, 2010 and filed on [www.sedar.com](http://www.sedar.com).

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

The current members of the audit committee are Steve Cook (Chairman), Alistair Maxwell and Shawn Wallace. Messrs. Cook and Maxwell are the independent members of the audit committee. Mr. Wallace is the Co-Chairman of the Board, and is therefore not independent. All current members of the audit committee are considered to be financially literate.

### Relevant Education and Experience

See disclosure under heading “*Occupation, Business or Employment of Director Nominees*” above.

### Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any auditor other than Deloitte LLP, Chartered Accountants.

### Reliance on Certain Exemptions

The Company’s auditor, Deloitte LLP, has not provided any material non-audit services.

### Pre-Approval Policies and Procedures

The audit committee has adopted specific policies and procedures for the engagement of non-audit services which are set out in the Audit Committee Charter contained in the Information Circular for the June 29, 2010 annual general meeting as filed on [www.sedar.com](http://www.sedar.com).

### External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by Deloitte LLP to the Company to ensure auditor independence. Fees incurred with Deloitte LLP for audit and non-audit services in the last two fiscal years are outlined in the following table.

Nature of Services	Fees Paid and/or Accrued to for Deloitte LLP Year Ended December 31, 2016.	Fees Paid and/or Accrued to Deloitte LLP for Year Ended December 31, 2015.
Audit Fees <sup>(1)</sup>	\$32,500	\$20,000
Audit-Related Fees <sup>(2)</sup>	Nil	Nil
Tax Fees <sup>(3)</sup>	Nil	Nil
All Other Fees <sup>(4)</sup>	Nil	Nil
Total	\$32,500	\$20,000

Notes:

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

### Exemption

The Company is a venture issuer and relies on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*).

## **CORPORATE GOVERNANCE**

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

The Board has a formal mandate as outlined in the Corporate Governance Policies and Procedures Manual (the “Governance Manual”). The Governance Manual mandates the Board to: (i) assume responsibility for the overall stewardship and development of the Company and monitoring of its business decisions, (ii) identify the principal risks and opportunities of the Company’s business and ensure the implementation of appropriate systems to manage these risks, (iii) oversee ethical management and succession planning, including appointing, training and monitoring of senior management and directors, and (iv) oversee the integrity of the Company’s internal financial controls and management information systems. The Governance Manual also includes written charters for each committee and it contains a code of ethics, policies dealing with issuance of news releases and disclosure documents, as well as share trading black-out periods. Further, in the Governance Manual the Board encourages but does not require continuing education for all the Company’s directors. A copy of the Governance Manual is available prior to the Meeting upon request by contacting the Company directly at telephone: (778) 729-0500 or fax: (778) 729-0650 or email: info@Torqresources.com.

### **Composition of the Board of Directors**

Applicable governance policies require that a listed issuer’s board of directors determine the status of each director as independent or not, based upon each director’s interest in or other relationship with, the Company. Applicable governance policies recommend that a board of directors be constituted with a majority of directors who qualify as independent directors (as defined below). A board of directors should also examine its size with a view to determining the impact of the number of directors upon the effectiveness of the board of directors, and the board of directors should implement a system which enables an individual director to engage an outside advisor at the expense of the corporation in appropriate circumstances. The Company’s policies allow for retention of independent advisors for members of the Board when they consider it advisable.

Under the policies, an “independent” director is one who “has no direct or indirect material relationship” with the Company. Generally speaking, a director is independent if he or she is free from any employment, business or other relationship which could, or could reasonably be expected to, materially interfere with the exercise of the director’s independent judgment. A material relationship includes having been (or having a family member who has been) within the last three years an employee or executive of the Company or employed by the Company’s external auditor. Any individual who (or whose family members or partners) received directly or indirectly, any consulting, advisory, accounting or legal fee or investment banking compensation from the Company (other than compensation for acting as a director or as a part time chairman or vice-chairman) is deemed to have a material relationship with the Company.

The Board is proposing five nominees for election to the office of director, of whom two of the nominees can be considered to be “independent”. The “independent” nominees are, Steve Cook and Alistair Maxwell. These nominees will be, if elected, considered independent by virtue of their not being executive officers of the Company and having received no compensation other than in their role as directors. The non-independent directors (and the reasons for that status) are: Shawn Wallace (Co-Chairman), Ivan Bebek (Co-Chairman) and Michael Kosowan (President and CEO of the Company).

## Directorships

The directors are currently serving on boards of the following reporting companies (or equivalent) as set out below:

Name of Director	Name of Reporting Issuer	Exchange Listed
Ivan Bebek	Auryn Resources Inc.	TSX
Shawn Wallace	Asanko Gold Inc. Auryn Resources Inc.	TSX, NYSE.MKT TSX
Steve Cook	Auryn Resources Inc.	TSX
Alistair Maxwell	None	NA
Michael Kosowan	Auryn Resources Inc.	TSX

The Board has a Nominating and Governance Committee (the “NG Committee”) that formalizes the process of ensuring the Company has high calibre directors and proper director succession planning. The NG Committee has considered and recommended re-election of the current Board. The NG Committee currently consists of Steve Cook, Alistair Maxwell and Shawn Wallace.

The Board monitors activities of senior management through regular meetings and discussions amongst the Board and between the Board and senior management. The Board is of the view that its communication policy between senior management, members of the Board and shareholders is good. The Board is satisfied with the integrity of the Company’s internal control and financial management information systems.

## Committees of the Board of Directors

Applicable regulatory governance policies require that (i) committees of the Board be composed of at least a majority of independent directors, (ii) the Board expressly assumes responsibility, or assigns responsibility to a committee of directors for the development of the Company’s approach to governance issues, (iii) the Board’s audit committee be composed of a majority of independent directors, and the role of the audit committee be specifically defined and must include the responsibility to oversee management’s system of internal controls, (iv) the audit committee has direct access to the Company’s external auditor, and (v) the Board appoint a committee, composed of a majority of independent directors, responsible for proposing new nominees to the Board and for assessing directors on an ongoing basis.

## Compensation Committee

The Board’s compensation committee currently consists of Steve Cook (independent), Alistair Maxwell (independent) and Shawn Wallace (non-independent).

The compensation committee recommends compensation for the directors and executive officers of the Company. See further disclosure under *Statement of Executive Compensation* below. The Compensation Committee Charter is included in the Governance Manual.

Compensation committee functions include the annual review of compensation paid to the Company’s executive officers and directors, the review of the performance of the Company’s executive officers and the task of making recommendations on compensation to the Board.

The compensation committee also periodically considers the grant of stock options. Options have been granted to the executive officers and directors and certain other service providers taking into account

competitive compensation factors and the belief that options help align the interests of executive officers, directors and service providers with the interests of shareholders.

### **Nominating and Governance Committee**

The Board's Nominating and Governance Committee ("NG committee") currently consists of Steve Cook (independent), Alistair Maxwell (independent) and Shawn Wallace (non-independent). The NG Committee Charter is included in the Governance Manual.

The NG committee is responsible for developing and recommending to the Board the Company's approach to corporate governance and assists members of the Board in carrying out their duties. The NG committee also reviews all new and modified rules and policies applicable to governance of listed corporations to assure that the Company remains in full compliance with such requirements as are applicable to the Company.

In exercise of its nominating function the NG committee evaluates and recommends to the Board the size of the Board and certain persons as nominees for the position of director of the Company. The Company has formal procedures for assessing the effectiveness of Board committees as well as the Board as a whole. This function is carried out annually under the direction of the NG committee and those assessments are then provided to the Board.

### **Board of Directors Decisions**

Good governance policies require the Board of a listed corporation, together with its chief executive officer, to develop position descriptions for the Board and for the chief executive officer, including the definition of limits to management's responsibilities. Any responsibility which is not delegated to senior management or to a Board committee remains with the full Board.

### **Recruitment of New Directors and Assessment of Board of Directors Performance**

Good governance policies require that (i) the board of directors of every listed corporation implement a process for assessing the effectiveness of the Board and its committees, and the contribution of individual directors, (ii) every corporation provide an orientation and education program for new directors, and (iii) every board of directors review the adequacy and form of compensation of directors and ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director.

Please also see *Nominating and Governance Committee* above.

The compensation committee and the NG Committee were both originally appointed on July 4, 2012.

### **Orientation and Continuing Education**

The Company has traditionally retained experienced mining people as directors and hence the orientation needed is minimized. When new directors are appointed, they are acquainted with the Company's mineral project and the expectations of directors. Board meetings generally include presentations by the Company's senior management and project staff in order to give the directors full insight into the Company's operations.

### **Ethical Business Conduct**

The Board has a formal ethics policy, which is contained in the Governance Manual. The Board also believes that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest are 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 NG committee recommended to the Board the appointment of the four director nominees listed above for election this year. See *Nominating and Governance Committee* above.

### **Other Board Committees**

There are no committees of the Board other than the audit committee, the compensation committee and the nominating and governance committee described above.

### **Assessments**

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 its committees. The NG committee oversees an annual formal assessment of the Board and its three main committees namely the audit committee, the compensation committee and the nominating and governance committee. The Board is satisfied with the overall project and corporate achievements of the Company and believes this reflects well on the Board and its practices.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Named Executive Officers**

In this section "Named Executive Officer" (an "NEO") means the Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO") and each of the three most highly compensated executive officers, other than the CEO and CFO, who were serving as executive officers at the end of the most recently completed fiscal year and whose total salary and bonus exceeds \$150,000; as well as any additional individuals for whom disclosure would have been provided under Statement of Executive Compensation Form 51-102F6, except that the individual was not serving as an officer of the Company at the end of the most recently completed financial year.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant give or otherwise provide to each NEO and director for the financial year ended December 31, 2016.

### **COMPENSATION DISCUSSION AND ANALYSIS**

The purpose of this Compensation Discussion and Analysis is to provide information about Torq's executive compensation objectives and processes and to discuss compensation decisions relating to its

NEOs listed in the Summary Compensation Table that follows. During its fiscal year ended December 31, 2016, the following individuals were NEOs of Torq:

- Shawn Wallace, Interim CEO (June 27, 2013 to March 2, 2017);
- Peter Rees, CFO (June 29, 2011 to Current); and
- Richard Haslinger, COO (August 12, 2011 to August 15, 2016).

Torq is a junior exploration company with no revenues from mineral producing operations. Its business activities include investigating and acquiring mineral properties and conducting exploration programs, in some instances relying on funding from exploration partners. As a result, the Board must consider not only the financial situation of Torq at the time of determining executive compensation, but also the estimated financial situation of Torq for both mid and long-term projections. An element of executive compensation that is available to Torq is the issuance of stock options, which do not require cash disbursement by Torq.

The function of the Compensation Committee generally is to assist the board in carrying out its responsibilities relating to executive and director compensation, including reviewing and recommending director compensation, overseeing the Company's base compensation structure and equity-based compensation programs, recommending compensation of the Company's officers and employees, and evaluating the performance of officers generally and in light of the Company's annual goals and objectives.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company although the Compensation Committee guides it in this role. The Company's Compensation Committee receives independent competitive market information on compensation levels for executives.

#### Philosophy and Objectives

The Company's compensation policies and programs are designed to be competitive with similar junior exploration mining companies and to recognize and reward executive performance consistent with the success of the Company's business. The significant objectives, elements and formula for compensation to be awarded to, earned by, paid to, or payable to NEOs going forward from the initiation of the change of control of Torq are to:

- (i) Attract and retain experienced and talented mining executive officers;
- (ii) Inspire excellence in the performance of executive officers; and
- (iii) Align shareholder and executive officer interests.

The Company relies solely on the discussions of the Board, without any formal objectives, criteria and analysis, for determining executive compensation. The Company did not engage compensation consultants to determine the NEOs compensation during the year ended December 31, 2016 and previous years.

The Company's compensation policies do not specifically discuss whether NEO's and directors are allowed to hedge risk of their company's securities.

### Base Salary

In the Board's view, paying base salaries which are competitive in the markets in which the Company operates is a first step to attracting and retaining talented, qualified and effective executives. Competitive salary information on comparable companies within the industry is compiled from a variety of sources, including surveys conducted by independent consultants and national and international publications.

During the year ended December 31, 2016, it was determined that due to the prevailing market condition and the status of the Company's treasury, that all compensation to executives was to be nil. Executive salaries will be continually reviewed until such time as the compensation committee deems it appropriate to reinstate them.

Effective March 2, 2017, Michael Kosowan was appointed as President & CEO and commenced receiving an annual salary on his appointment date.

### Bonus Incentive Compensation

The Company's objective is to achieve certain strategic objectives and milestones. The Board will consider executive bonus compensation dependent upon the Company meeting those strategic objectives and milestones 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 Compensation Committee, and such recommendations are generally based on survey data provided by independent consultants.

During the fiscal year ended December 31, 2016, no bonus incentive compensation was accrued or paid.

### Equity Participation

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. Equity participation is accomplished through the Company's share option plan. Options to purchase Common Shares in the Company are granted to executives and employees 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 by the Board.

Given the evolving nature of the Company's business as a mineral exploration and development company, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

The Compensation Committee has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Company. The Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

### Actions, Decisions or Policies Made After December 31, 2016

Appointment on March 2, 2017 of Michael Kosowan as President, Chief Executive Officer and Director of the Company.

On March 15, 2017 the Company changed its name from Stratton Resources Inc. to Torq Resources Inc.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above while accommodating the requirements of the Company's other financial obligations.

### Option Based Awards

The Company has a stock option plan approved by the shareholders on August 15, 2011. There were no options granted to officers and directors in fiscal 2016.

On June 6, 2013 all outstanding options were voluntarily cancelled, in order to allow the Company to issue new options more in line with the current share price at a future date allowed for under the rules of the TSX Venture Exchange. As at December 31, 2016 the Company had no stock options outstanding.

### SUMMARY COMPENSATION TABLE

Compensation paid to the NEOs during the Company's three most recently completed financial years ended December 31, 2016, 2015 and 2014 is as set out below and expressed in Canadian dollars:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation <sup>(2)</sup> (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Shawn Wallace <sup>(3)</sup> Interim CEO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Peter Rees <sup>(4)</sup> CFO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	16,503	Nil	Nil	Nil	Nil	Nil	Nil	16,503
	2014	21,405	Nil	Nil	Nil	Nil	Nil	Nil	21,405
Richard Haslinger COO	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014	3,955	Nil	Nil	Nil	Nil	Nil	Nil	3,955

Notes:

- (1) Any amounts in this column represent the dollar amount based on the grant date fair value of the award for the fiscal year ended December 31, 2016.
- (2) Other compensation is comprised of payment of consulting fees.
- (3) Mr. Wallace was appointed Interim CEO of the Company on June 27, 2013 and has been a director of the Company since May 12, 2011. He resigned as Interim CEO on March 2, 2017 when Michael Kosowan was appointed CEO of the Company. As of March 2, 2017 Mr. Wallace was appointed Co-Chair of the Company together with Ivan Bebek.
- (4) Mr. Rees was appointed CFO of the Company on June 29, 2011.
- (5) Mr. Haslinger became Chief Operating Officer of the Company on August 12, 2011. He resigned as Chief Operating Officer on August 15, 2016.

The significant factors in determining the information set out in the above Summary Compensation Table are:

- the terms of each NEO's employment agreement or arrangement; and
- the activity and financial resources of the Company at the time the compensation was paid.

### Incentive Plan Awards

There were no option-based awards granted and outstanding as at December 31, 2016 for any NEOs.

## Termination and Change of Control Benefits

There are currently no termination and change of control benefits.

## DIRECTOR COMPENSATION

There was no compensation paid to directors beyond that already set out above in disclosure for a NEO, for the Company's most recently completed financial year ended December 31, 2016 as follows:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Ivan Bebek <sup>(2)</sup>	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Alistair Maxwell	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Steve Cook	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Any amounts in this column represent the dollar amount based on the grant date fair value of the award for the year ended December 31, 2016.
- (2) As of March 2, 2017 Mr. Bebek was appointed Co-Chair of the Company together with Shawn Wallace.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan which the Company has in place is the share option plan (the "Plan") which was last approved by shareholders on June 23, 2016. The Plan has been established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The number of Common Shares issuable under the Plan, together with all of the Company's other previously established or proposed share compensation arrangements, may not exceed 10% of the total number of issued and outstanding Common Shares from time to time. All options expire on a date not later than 10 years after the date of grant of such option. See *Particulars of Other Matters to be Acted Upon* below in connection which includes the Company's proposal to ratify and approve the Company's Plan for continuation, at the Meeting.

There were no stock options granted by the Company in 2016.

### *Equity Compensation Plan Information*

As at December 31, 2016 Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	Nil	NA	5,682,416
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	Nil	NA	5,682,416

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

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

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

No informed person of the Company, proposed director of the Company, or associate or affiliate of any informed person or proposed director (collectively "Insiders" see Definitions below), have 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 has materially affected or would materially affect the Company or any of its subsidiaries, except as disclosed under the headings "Executive Compensation" and "Particulars of Matters to be Acted Upon".

For specific detailed disclosure concerning payment by the Company to related parties and settlement of outstanding balances please see Note 9 to the Annual Financial Statements for the fiscal year ended December 31, 2016 and filed under the Company's SEDAR profile at [www.Sedar.com](http://www.Sedar.com).

## **MANAGEMENT CONTRACTS**

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

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

### **Share Option Plan**

The TSXV requires that each company listed on the exchange have a stock option plan if the company intends to grant options. In order to increase flexibility of the Company to provide incentive to directors, officers, employees, management and others who provide services to the Company or any subsidiary to act in the best interests of the Company, the shareholders of the Company approved adoption of the Plan on August 12, 2011, and which was amended and restated on August 14, 2015, and was last approved by the Shareholders on June 23, 2016 for continuation.

The Plan is a rolling plan. Under the Plan, options totaling a maximum of 10% of the Common Shares outstanding from time to time are available for grant.

To comply with TSXV policies covering "rolling" option plans, continued grants under the Plan must be approved annually by the shareholders of the Company. At the Meeting shareholders will be asked to ratify and approve the Plan for continuation until the next annual general meeting of the Company.

The Plan also provides that the maximum number of Common Shares that may be issued to any one Insider and such Insider's associates under the Plan within a one year period shall be 5% of the Common Shares outstanding at the time of the issuance, excluding Common Shares issued to such Insider under the Plan and under any other share compensation arrangement over the preceding one year period. Currently, all options granted under the Plan can be exercisable for a maximum of 10 years from the effective date.

The Plan is subject to the following restrictions:

- (a) The Company must not grant an option to a director, employee, consultant, or consultant company (the "Service Provider") in any 12 month period that exceeds 5% of the outstanding

Common Shares, unless the Company has obtained approval to do so by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by Insiders and their Associates ("Disinterested Shareholder Approval");

- (b) The aggregate number of options granted to a Service Provider conducting Investor Relations Activities in any 12 month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the TSXV;
- (d) The Company must not grant an option to a Consultant in any 12 month period that exceeds 2% of the outstanding Common Shares calculated at the date of the grant of the option;
- (e) The number of optioned Common Shares issued to Insiders in any 12 month period must not exceed 10% of the outstanding Common Shares (in the event that the Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) The exercise price of an option previously granted to an Insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

### ***Definitions***

A "disinterested shareholder" means a shareholder that is not an Insider to whom options may be granted under the Plan and they are not an Associate of any Insider.

An "**Insider**" is a director or an officer of the Company, a director or an officer of a company that is itself an Insider or a subsidiary of an Insider, or a person that has beneficial ownership of, and/or control or direction, either directly or indirectly over, securities of the Company carrying more than 10% of the voting rights attached to all the Company's outstanding voting securities.

An "**Associate**" means, if used to indicate a relationship with any person,

- (a) a partner, other than a limited partner, of that person,
- (b) a trust or estate in which that person has a substantial beneficial interest or for which that person serves as trustee or in a similar capacity,
- (c) an issuer in respect of which that person beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the issuer, or
- (d) a relative, including the spouse, of that person or a relative of that person's spouse, if the relative has the same home as that person.

### ***Material Terms of the Plan***

The following is a summary of the material terms of the Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Plan;
- (b) Options granted under the Plan are non-assignable and non-transferable and are issuable for a period of up to 10 years;

- (c) For options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) An Option granted to any Service Provider will expire within one year (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the Option), after the date the Optionee ceases to be employed by or provide services to the Company, but only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (e) If an Optionee dies, any vested option held by him or her at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such option;
- (f) In the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal, will immediately terminate without right to exercise same;
- (g) The exercise price of each option will be set by the Board on the effective date of the option and will not be less than the Discounted Market Price (as defined in the Plan);
- (h) Vesting of options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or its affiliates, as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or its affiliates during the vesting period; and
- (i) The Board reserves the right in its absolute discretion to amend, suspend, terminate or discontinue the Plan with respect to all Plan shares in respect of options which have not yet been granted under the Plan.

### ***Shareholder Approval***

At the Meeting, shareholders will be asked to consider and vote on the ordinary resolution to ratify and approve the Plan for continuation, with or without variation, as follows:

**“RESOLVED that** the Company's Share Option Plan, dated August 12, 2011, as amended and restated August 14, 2015, be and is hereby ratified and approved for continuation until the next annual general meeting of the Company.”

The Board is of the view that the Plan provides the Company with the flexibility to attract and maintain the services of executives, employees and other service providers in competition with other companies in the industry. A copy of the Plan will be available for inspection at the Meeting. A shareholder may also obtain a copy of the Plan by contacting Company's Corporate Secretary at Suite 600, 1199 West Hastings Street, Vancouver, BC, V6E 3T5, Tel: (778) 729-0500 or Fax: (778) 729-0650.

**The Board recommends that you vote in favour of the above resolution.**

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

### **ADDITIONAL INFORMATION**

Financial information is provided in the audited financial statements of the Company for the year ended December 31, 2016 and in the related management discussion and analysis and filed on SEDAR at [www.Sedar.com](http://www.Sedar.com).

Additional information relating to the Company is filed under its SEDAR profile at [www.Sedar.com](http://www.Sedar.com) and upon request from the Company's Corporate Secretary at Suite 600, 1199 West Hastings Street, Vancouver, BC, V6E 3T5, Tel: (778) 729-0500, or toll free: 1-800-863-8655 or Fax: (778) 729-0650. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security holder 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 contents of this Information Circular and its distribution to shareholders have been approved by the Board.

**DATED** at Vancouver, British Columbia, April 27, 2017.

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

*“Michael Kosowan”*

**Michael Kosowan**  
**President and Chief Executive Officer**