

RILEY RESOURCES CORP.

MANAGEMENT INFORMATION CIRCULAR

As at and Dated October 25, 2018

(Unless otherwise noted)

MANAGEMENT SOLICITATION OF PROXIES

This management information circular ("**Information Circular**") accompanies the Notice of the 2018 annual general meeting ("**Notice of Meeting**") of holders of common shares (the "**Common Shares**") (the "**Shareholders**") of Riley Resources Corp. (the "**Company**") scheduled to be held at 2390 – 1055 West Hastings Street, Vancouver, BC, on **Thursday, November 29, 2018 at 9:30 A.M.** (Pacific Time) (the "**Meeting**"), and is furnished in connection with the solicitation by management of the Company of proxies to be used at that Meeting and all adjournments or postponements thereof.

The solicitation of proxies will be made primarily by mail but proxies may also be solicited by telephone or other electronic means of communication by officers, directors or regular employees of the Company at nominal cost. Employees of the Company will not receive any extra compensation for such activities. The Company may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders of the Company in favour of the matters set forth in the Notice of the Meeting. The Company may pay brokers or other persons holding Common Shares of the Company in their own names, or in the names of nominees, for their reasonable expenses for sending proxies and this Information Circular to beneficial owners of Common Shares and obtaining proxies therefor. The cost of the solicitation of proxies will be borne by the Company.

The information contained herein is given as of October 25, 2018, except as otherwise stated herein. The delivery of this Information Circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date of this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy accompanying this Information Circular are officers and/or directors of the Company. **A Registered Shareholder of the Company has the right to appoint a person or company (who need not be a Shareholder of the Company) to represent the Registered Shareholder at the meeting other than the persons designated in the form of proxy accompanying this Information Circular. A Registered Shareholder may exercise this right either by inserting the name of that person or company in the blank space provided in the form of proxy and striking out the other names or by completing another proper form of proxy.** To be effective, proxies must be deposited at the office of the Company's registrar and transfer agent, Computershare Trust Company of Canada ("**Computershare**"), Proxy Dept., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, Canada, no later than 9:30 AM (Pacific Time) on November 27, 2018. Proxies delivered after that time will not be accepted.

Proxies given by Registered Shareholders ("**Registered Shareholders**") for use at the Meeting may be revoked at any time before their use. In addition to revocation, if any, or other matters permitted by law, a proxy may be revoked by depositing an instrument in writing, including another completed form of proxy, executed by the Registered Shareholder, or by the Registered Shareholder's attorney duly authorized in writing or where the Registered Shareholder is a Company, by a duly authorized officer or attorney of the Company, and delivered to the head office of the Company at Suite 2390, 1055 West Hastings St., Vancouver, BC, V6E 2E9, Canada, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, or with the chair of the Meeting on the day of the Meeting, or any adjournment or postponement thereof, or in any other manner permitted by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

VOTING AND DISCRETION OF PROXIES

The Common Shares represented by the proxies solicited by management of the Company pursuant to this Information Circular will be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken and where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

ON A POLL, SUCH COMMON SHARES WILL BE VOTED IN FAVOUR OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE SHAREHOLDER.

The form of proxy accompanying this Information Circular confers discretionary authority on the persons named therein in respect of amendments or variations to the matters referred to in the Notice of the Meeting and in respect of other matters that may properly come before the Meeting, or any adjournment or postponement thereof.

As at the date of this Information Circular, management knows of no such amendments or variations or other matters that may properly come before the Meeting but, if any such amendments, variations or other matters are properly brought before the Meeting, the persons named in the proxies will vote thereon in accordance with their best judgment.

INFORMATION FOR REGISTERED SHAREHOLDERS

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

- (a) completing, dating and signing the enclosed proxy and returning it to the Company's transfer agent, Computershare, by mail or by hand to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Canada; or
- (b) using a touch-tone phone to transmit voting choices to the toll-free number indicated in the proxy. Registered Shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the Shareholder's account number and the proxy control number; or
- (c) using the Internet through the website of the Company's transfer agent at www.investorvote.com. Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the Shareholder's account number and the proxy control number; or
- (d) using a Smartphone by scanning the QR code to vote immediately.

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

INFORMATION FOR NON-REGISTERED SHAREHOLDERS

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most Shareholders of the Company are "non-registered" Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Common Shares. More particularly, a person is not a Registered Shareholder in respect of Common Shares which are held on behalf of that person (the "**Beneficial Shareholder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Beneficial Shareholder deals with in respect of the Common Shares (Intermediaries include, among other things, banks, trust companies, securities dealers or

brokers, and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

Existing regulatory policy requires brokers and other Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to its Registered Shareholders. However, its purpose is limited to instructing the Registered Shareholder (i.e., the Intermediary) how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form ("**VIF**"), mails the VIFs to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.

These securityholders' materials are being sent to both Registered and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Common Shares on your behalf.

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

Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBOs**") and those who do not object to their identity being made known to the issuers of the securities they own ("**Non-Objecting Beneficial Owners**", or "**NOBOs**"). Subject to the provisions of National Instrument 54-101, *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), issuers may request and obtain a list of their NOBOs from Intermediaries via their transfer agents. Pursuant to NI 54-101, issuers may obtain and use the NOBO list for distribution of proxy-related materials directly (not via Broadridge) to such NOBOs.

The Company's OBOs can expect to be contacted by Broadridge or their Intermediary as set out above.

The Company has not adopted the notice and access procedure described in NI 54-101 and National Instrument 51-102, *Continuous Disclosure Obligations*, to distribute its proxy-related materials to the Registered and Beneficial Shareholders. In addition, the Company has not agreed to pay to distribute the proxy-related materials to the OBOs and, unless the intermediaries acting for such OBOs agree to assume the costs of such delivery, the OBOs will not receive the proxy-related materials for the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Registered Shareholder and vote the 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 enter their own names in the blank space on the proxy provided to them and return the same to the Intermediary in accordance with the instructions provided by such Intermediary.**

All references to Shareholders in this Information Circular and the accompanying form of proxy and Notice of the Meeting are to Shareholders of record, unless specifically stated otherwise.

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

Other than as set forth in this Information Circular, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the annual approval of the Company's stock option plan (the "**Plan**").

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting has been fixed as October 25, 2018 (the "**Record Date**").

To the knowledge of the directors and senior officers of the Company, as at October 25, 2018, the following beneficially own or control or direct, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to the outstanding shares of the Company:

Name and Municipality of Residence	Type of Ownership	Number of Common Shares ⁽¹⁾	Percentage of Common Shares
Todd Hilditch Surrey, B.C.	Direct	1,266,668	11.86%
William Lamb West Vancouver, B.C.	Direct	1,197,164	11.21%

(1) Certain of these securities are subject to escrow restrictions pursuant to policies of the TSX-Venture Exchange (the "**Exchange**").

Common Shares

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at the Record Date, 10,681,755 Common Shares are issued and outstanding.

Only Shareholders of record holding Common Shares at the close of business on the Record Date, who either personally attend the Meeting or who have duly completed and delivered a form of proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have their Common Shares voted at the Meeting.

Each Common Share entitles the holder of the Common Share to one vote on all matters to come before the Meeting. No group of Shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders will have one vote, and on a poll every Shareholder present in person or represented by a proxy, and every person who is a representative of one or more corporate Shareholders, will have one vote for each Common Share registered in that Shareholder's name on the list of Shareholders as at the Record Date, which is available for inspection during normal business hours at Computershare and will be available at the Meeting. Shareholders represented by proxyholders are not entitled to vote on a show of hands.

ELECTION OF DIRECTORS

The board of directors of the Company (the "**Board**") presently consists of four (4) directors. Shareholders of the Company will be asked to elect four (4) directors for the ensuing year. The persons named in the form of proxy accompanying this Information Circular intend to vote for the election of the director nominees whose names are set forth below, each of whom is now a director of the Company and has been a director of the Company since the date indicated,

unless the Shareholder who has given such proxy has directed otherwise. Management of the Company does not contemplate that any of such nominees will be unable to serve as a director of the Company for the ensuing year but if that should occur for any reason prior to the Meeting or any adjournment or postponement thereof, the persons named in the form of proxy accompanying this Information Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion. Each director of the Company elected at the Meeting will hold office until the next annual general meeting of the Shareholders of the Company held following his election, unless he resigns or is removed as a director of the Company in accordance with the Articles of the Company or the provisions of the *Business Corporations Act (British Columbia)* (the “**Act**”), prior to such date.

The name, province or state and country of residence of each nominee, their position with the Company, their principal occupation during the last five (5) years, the date upon which they became a director of the Company and the number of Common Shares beneficially owned, directly or indirectly, by them, or over which control or direction is exercised by them, as of the Record Date, is as follows:

Name, Province or State and Country of Residence and Position with the Company ⁽¹⁾	Principal Occupation During the Last Five Years ⁽¹⁾	Director Since	Number of Common Shares Owned or Over Which Control or Direction is Exercised ⁽¹⁾⁽²⁾
William Lamb ⁽³⁾⁽⁴⁾ West Vancouver, British Columbia, Canada <i>Executive Chairman of the Board</i>	Chief Executive Officer of Lucara Diamond Corp. from May 2011 to February 2018.	July 31, 2014	1,197,164 (11.21%)
Todd L. Hilditch ⁽⁴⁾⁽⁵⁾ Surrey, British Columbia, Canada <i>Chief Executive Officer and Director</i>	President of Terraco Gold Corp. from December 6995 to present and Chief Executive Officer from August 2007 to present; Management Consultant, Rock Management Consulting Ltd., from 2007 to present; Executive Chairman and Director of URZ Energy Corp. from February 2017 to July 2018.	June 3, 2011	1,266,668 (11.86%)
Bryan McKenzie ⁽⁶⁾ Vancouver, British Columbia, Canada <i>Chief Financial Officer, Corporate Secretary and Director</i>	Chief Financial Officer of Terraco Gold Corp. from May 2010 to present. Chief Financial Officer of Sama Resources Inc./Ressources Sama Inc. from March 2010 to September 2016; President of Sandstone Consulting Ltd. from January 2010 to present; Chief Financial Officer and Director of URZ Energy Corp. from February 2017 to July 2018.	July 31, 2014	300,000 (2.80%)
Cyndi Laval ⁽⁴⁾⁽⁷⁾ Vancouver, British Columbia, Canada <i>Director</i>	Partner, Gowling (WLG) Canada LLP, law firm, since July 2003.	July 31, 2014	448,937 (4.20%)

Notes:

- (1) The information as to province or state, country of residence, principal occupation and Common Shareholdings, not being within the knowledge of the Company, has been furnished by the respective nominee.
- (2) Certain of these securities are subject to escrow restrictions pursuant to the policies of the Exchange.
- (3) Mr. Lamb was appointed Executive Chairman of the Board on September 21, 2018.
- (4) Member of the Audit Committee.
- (5) Mr. Hilditch resigned as President of the Company on October 27, 2014 and was appointed CEO and CFO of the Company on October 27, 2014. He resigned as CFO of the Company on February 28, 2017.
- (6) Bryan McKenzie was appointed as Corporate Secretary and Chief Financial Officer of the Company on February 6, 2017 to fill the vacancies created by the resignations of Ms. Laval and Mr. Hilditch.
- (7) Cyndi Laval resigned as Corporate Secretary of the Company on February 28, 2017.

Other than the Audit Committee, the Company has no other board committees.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed herein, no proposed director (or any of such director's personal holding companies) of the Company:

- (a) is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Company, that:
 - (i) was subject to an order that was issued while the proposed director was acting in the capacity as director, executive officer or chief financial officer; or
 - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

No proposed director (or any of such director's personal holding companies) 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; 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.

The foregoing information, not being within the knowledge of the Company, has been furnished by the respective directors.

STATEMENT OF EXECUTIVE COMPENSATION

For the purposes of this Statement, “**Named Executive Officers**” or “**NEOs**” means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the financial year ended December 31, 2017, served as chief executive officer, including an individual performing functions similar to a chief executive officer (“**CEO**”) of the Company;
- (b) each individual who, in respect of the Company, during any part of the financial year ended December 31, 2017, served as chief financial officer, including an individual performing functions similar to a chief financial officer (“**CFO**”) of the Company;

- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the financial year ended December 31, 2017 whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) for that financial year;
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, as at December 31, 2017.

During the financial year ended December 31, 2017, the Company had two NEOs: namely, Todd L. Hilditch, CEO and Bryan McKenzie, CFO.

Director and NEO Compensation, excluding Compensation Securities

The compensation, excluding compensation securities, for the NEOs and directors for the Company's two most recently completed financial years is as set out below.

During the Company's financial year ended December 31, 2017, there were no arrangements under which directors were compensated in cash by the Company and its subsidiaries for their services in their capacity as directors.

Table of Compensation excluding compensation securities							
Name and Position	Year	Salary, Consulting Fee, retainer or Commission (\$)	Bonus (\$)	Committee or meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)⁽¹⁾⁽²⁾	Total Compensation (\$)
William Lamb ⁽³⁾ <i>Executive Chairman of the Board</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Todd L. Hilditch ⁽⁴⁾⁽⁵⁾⁽⁶⁾ <i>CEO and Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Bryan McKenzie ⁽⁵⁾⁽⁶⁾⁽⁷⁾ <i>CFO, Corporate Secretary and Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Cyndi Laval ⁽⁷⁾ <i>Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) The Company does not currently have a non-equity incentive plan or a long-term incentive plan for any of its directors, Executive officers or its NEO.
- (2) The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plan.
- (3) Mr. Lamb was appointed Executive Chairman of the Board of September 21, 2018.
- (4) Mr. Hilditch resigned as President on October 27, 2014 and was appointed CEO and CFO of the Company on October 27, 2014.
- (5) Mr. Hilditch has not received any compensation relating his role as a director.

- (6) Mr. Hilditch resigned as CFO of the Company on February 28, 2017 and Mr. McKenzie was appointed CFO to fill the vacancy created by the resignation of Mr. Hilditch.
- (7) Ms. Laval resigned as Corporate Secretary of the Company on February 28, 2017 and Mr. McKenzie was appointed Corporate Secretary to fill the vacancy created by the resignation of Ms. Laval.

Stock Options and other compensation securities

The table below discloses all compensation securities granted to each NEO and the directors by the Company for services provided, directly or indirectly to the Company during the financial year ended December 31, 2017:

Name and position	Type of compensation security (1)(2)(3)	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 as at December 31, 2017 (\$)	Expiry Date
William Lamb ⁽⁴⁾ Executive Chairman of the Board	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Todd L. Hilditch ⁽⁵⁾ President, CEO and Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Bryan McKenzie ⁽⁶⁾ CFO, Corporate Secretary and Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Cyndi Laval ⁽⁷⁾ Director	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Notes:

- (1) There has been no compensation security that has been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.
- (2) There are no restrictions or conditions for converting, exercising or exchanging on the compensation securities granted in the most recently completed financial year.
- (3) Each outstanding stock option of the Company entitles the holder thereof to acquire, upon exercise, one Common Share.
- (4) As at December 31, 2017, Mr. Lamb held 235,000 stock options of the Company entitling him to acquire, upon exercise 235,000 Common Shares. As of December 31, 2017, all stock options held by Mr. Lamb have vested.
- (5) As at December 31, 2017, Mr. Hilditch held 294,000 stock options of the Company entitling him to acquire, upon exercise 294,000 Common Shares. As of December 31, 2017, all stock options held by Mr. Hilditch have vested.
- (6) As at December 31, 2017, Mr. McKenzie held 88,000 stock options of the Company entitling him to acquire, upon exercise 88,000 Common Shares. As of December 31, 2017, all stock options held by Mr. McKenzie have vested.
- (7) As at December 31, 2017, Ms. Laval held 88,000 stock options of the Company entitling her to acquire, upon exercise 88,000 Common Shares. As of December 31, 2017, all stock options held by Ms. Laval have vested

During the financial year ended December 31, 2017, there were no exercises by a director or NEO of compensation securities.

Stock Option Plans and other incentive plans

The purpose of the Plan established by the Company, pursuant to which it may grant incentive stock options, is to promote the profitability and growth of the Company by facilitating the efforts of the Company to obtain and retain key individuals. The Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Company and benefit from increases in the value of the Common Shares.

On October 17, 2014, the Board adopted the Plan. The Shareholders of the Company approved the Plan on December 5, 2017 and in accordance with the policies of the Exchange “rolling 10% plans” must be approved annually at the Company’s annual meeting by the Shareholders of the Company. Accordingly, the Company will be seeking the approval of its Shareholders to the ratification of the Plan at the Meeting.

The purpose of the Plan is to attract and motivate directors, employees and consultants to the Company and its subsidiaries, and thereby advance the Company’s interests, by affording such persons with an opportunity to acquire an equity interest in the Company through the issuance of stock options.

The following is a summary of the material terms of the Plan and is qualified in its entirety by the full text of the Plan (all capitalized terms have the meaning as defined in the Plan):

1. The Plan is administered by the Board or by a Committee of two or more directors of the Company.
2. Subject to the limitations of the Plan, the Board shall have full power to grant Options, to determine the terms, limitations, restrictions and conditions respecting such Options and to settle, execute and deliver Option Agreements and bind the Company accordingly, to interpret the Plan and to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan.
3. Options may be granted to any Director, Officer, Employee or Consultant of the Company or its subsidiaries.
4. The aggregate maximum number of Common Shares which may be issued pursuant to options granted under the Plan, unless otherwise approved by the Shareholders, may not exceed that number which is equal to 10% of the number of Common Shares issued and outstanding at the time of the option grant.
5. The number of Common Shares under each option will be determined by the Board provided that the aggregate maximum number of Common Shares reserved for issuance pursuant to options granted during any twelve (12) month period to:
 - a. Insiders may not exceed 10% of the total issued and outstanding shares of the Company at the time of grant unless approval by the Disinterested Shareholders (as defined below) has been obtained in accordance with the policies of the Exchange;
 - b. subject to (c) below, any one Person may not exceed 5% of the total issued and outstanding Common Shares (unless approval by the Disinterested Shareholders has been obtained);
 - c. any one Consultant may not exceed 2% of the total issued and outstanding Common Shares at the date of such grant; and
 - d. any one Person engaged in Investor Relations Activities for the Company may not exceed 2% of the total issued and outstanding Common Shares and must vest in stages over a 12-month period with no more than $\frac{1}{4}$ of the Options vesting in any three-month period;

in each case calculated as at the date of grant of the Option, including all other shares under Option to such Person at that time.

6. The exercise price of an Option may not be set at less than the minimum price permitted by the Exchange or less than the Discounted Market Price.
7. Options granted will have a maximum term of up to 10 years from the date of grant.
8. Options are non-assignable and non-transferable.
9. Options can only be exercised by the Optionee as long as the Optionee remains an eligible Optionee pursuant to the Plan or within a period of not more than 90 days after ceasing to be an eligible Optionee (30 days in the case of a person engaged in Investor Relations Activities).
10. In the event of death of an Optionee, the Optionee's heirs or administrators may exercise any portion of such Optionee's outstanding Option until the earlier of one year following the date of the Optionee's death or the expiry of the Option Period.
11. In the event that the Optionee shall cease to be a Director, Employee or Consultant by reason of such Optionee's disability, any Options held by such Optionee that could have been exercised immediately prior to such cessation shall be exercisable by such Optionee, or by his Guardian, for a period of 30 days following the date of such cessation. If such Optionee dies within that 30-day period, any Option held by such Optionee that could have been exercised immediately prior to his or her death shall pass to the Qualified Successor of such Optionee, and shall be exercisable by the Qualified Successor until the earlier of 30 days following the death of such Optionee and the expiry of the Option Period.
12. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed 180 days or, if longer, for so long as the Optionee's right to re-employment with the Company or its subsidiary is guaranteed either by statute or by contract. If the period of such leave exceeds 180 days and the Optionee's re-employment is not so guaranteed, then the Optionee's employment shall be deemed to have terminated on the 181st day of such leave.
13. In the event an Optionee shall cease to be a Director, Employee or Consultant of the Company for termination for cause, the Option shall terminate and shall cease to be exercisable upon such termination for cause.
14. Subject to any required regulatory approval, the Board may, in its discretion, accelerate the vesting or exercisability of any Option and all Option shares subject to an Option become vested in the event of a take-over bid. The exercise price and the number of Common Shares which are subject to an Option may be adjusted from time to time for share dividends, and in the event of recapitalization, subdivision, arrangement, amalgamation, reorganization or change in the capital structure of the Company.
15. Subject to Exchange approval and certain other conditions, the exercise price of an Option may be reduced at the discretion of the Board if prior Exchange approval is obtained and at least six (6) months have elapsed since the date the Option was granted and the date the exercise price for such Option was last amended. For any reduction in the exercise price of an Option held by an Insider of the Company, approval by the Disinterested Shareholders (as defined below) will be required.
16. Options issued to Optionees other than Consultants who perform Investor Relations Activities, may at the discretion of the Board be subject to vesting conditions

The Exchange requires that "rolling" stock Option plans such as the Company's Plan must receive annual approval by the Shareholders. Thereafter, notice of Options granted under the Plan must be given to the Exchange. Any

amendments to the Plan must also be approved by the Exchange and, if necessary, approval by the Disinterested Shareholders of the Company obtained prior to becoming effective.

“Approval by the Disinterested Shareholders” means approval by a majority of votes cast by all Shareholders at the Meeting, excluding votes attached to Common Shares beneficially owned by Insiders of the Company to whom Options may be granted pursuant to the Plan and their associates in accordance with the policies of the Exchange.

A copy of the Plan may be inspected at the offices of Gowling (WLG) Canada LLP, counsel to the Company, Suite 2300, 550 Burrard Street, Vancouver, BC, during normal business hours and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any Shareholder who makes a request in writing to the Company. Any such requests should be mailed to the Company, at its head office at Suite 2390, 1055 West Hastings Street, Vancouver, BC V6E 2E9, Canada, to the attention of the Corporate Secretary. See *“Particulars of Matters to Be Acted upon – Approval of the Plan”*.

Employment, Consulting and Management Agreements

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

Oversight and Description of Director and Named Executive Officer Compensation

Compensation Discussion and Analysis

The Board is responsible for implementing and overseeing the human resources and compensation philosophy of the Company and making recommendations with respect to the compensation to the NEO and directors of the Company. The Board ensures that total compensation paid to NEO and directors is fair and reasonable and is consistent with the Company’s compensation philosophy. See *“Statement of Executive Compensation”*.

During the financial year ended December 31, 2017, no compensation has been awarded to, earned by, paid or payable to the NEO of the Company, other than through the grant of stock options.

During the financial year ended December 31, 2017, no compensation was paid to directors in their capacity as directors of the Company or in their capacity as members of a committee of the Board, other than through the grant of stock options.

Executive Compensation Philosophy and Objectives

The Company’s principal goal is to create value for its Shareholders. The Company’s compensation philosophy reflects this goal and is based on the following fundamental principles:

1. compensation programs align with Shareholders’ interests – the Company aligns the goals of executives with maximizing long-term Shareholder value;
2. performance sensitive – compensation for executive officers should be linked to operating and market performance of the Company and fluctuate with the performance; and
3. offer market competitive compensation to attract and retain talent – the compensation program should provide market competitive pay in terms of value and structure in order to retain existing executive officers who are performing according to their objectives and to attract new individuals of the highest calibre.

The objectives of the Company in compensating all NEOs were developed based on the above-mentioned compensation philosophy and are as follows: to attract, motivate and retain highly qualified executive officers; to align the interests of executive officers with Shareholders’ interests by making long-term, equity-based incentives through the granting of

stock options and evaluating executive performance on the basis of key measurements that correlate to long-term Shareholder value; and to tie compensation directly to those measurements and rewards based on achieving and exceeding predetermined objectives.

Option-based Awards

The Company has no long-term incentive plan other than its Plan. The Company's Plan provides for the grant of stock options to directors, officers, employees and consultants of the Company. The purpose of the Plan is to provide an incentive for directors, officers, employees and consultants of the Company to directly participate in the Company's growth and development by providing them with the opportunity through options to purchase Common Shares. The grant of such stock options advances the interests of the Company and its shareholders through the motivation, attraction and retention of these individuals.

The Board determines the ranges of stock option grants for each level of directors, officers, employees and consultants to whom it recommends that grants be made. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of the position and contribution to the Company.

In addition to determining the number of options to be granted pursuant to the methodology outlined above, the Board also makes the following determinations:

- parties who are entitled to participate in the Plan;
- the exercise price for each stock option granted, subject to the provision that the exercise price cannot be lower than the prescribed discount permitted by the Exchange from the market price of the Common Shares on the date of grant;
- the date on which each stock option is granted;
- the vesting period, if any, for each stock option;
- the other material terms and conditions of each stock option grant; and
- any re-pricing or amendment to a stock option grant.

The Board makes these determinations subject to and in accordance with the provisions of the Plan. The Board reviews and approves grants of options on an annual basis and periodically during a financial year. Previous grants are taken into account when considering new grants.

The Board has responsibility for determining the appropriate levels of compensation for management and for determining related compensatory matters such as the granting of incentive stock options.

The Board has not formally considered the implications of the risks associated with the Company's compensation policies and practices.

The Company has not placed a restriction on NEOs or directors concerning the purchase of 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 the market value of equity securities granted as compensation or held, directly or indirectly by the NEOs or employees.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out equity securities of the Company which have been authorized for issuance under the Plan, as amended, as of the end of the Company's most recently completed financial year, December 31, 2017.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted-Average Exercise Price of Outstanding Options (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a))(2) (c)
Equity Compensation Plans Approved By Shareholders ⁽¹⁾	705,000	\$0.10	363,175

Note:

- (1) Issued under the Plan. See “Executive Compensation – Stock Options and other Incentive Plans” and “Particulars of Matters to Be Acted On – Approval of the Plan”.
- (2) Based on the total number of Common Shares to be reserved for issuance pursuant to options granted under the Plan being 10% of the issued and outstanding Common Shares as at October 25, 2018.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

At no time during the Company’s last completed financial year or as of the Record Date, was any director, executive officer, employee, proposed director nominee for election as a director of the Company nor any associate of any such director, executive officer, or proposed director nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries exceeding \$50,000 or indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries, other than routine indebtedness.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out in this Information Circular, and other than transactions carried out in the ordinary course of business of the Company or any of its subsidiaries, none of the directors or executive officers of the Company, a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company, nor any Shareholder beneficially owning, directly or indirectly, Common Shares, or exercising control or direction over Common Shares of the Company, or a combination of both, carrying more than 10% of the voting rights attached to the outstanding Common Shares of the Company nor an associate or affiliate of any of the foregoing persons has since January 1, 2016 (being the commencement of the Company’s last completed financial year) any material interest, direct or indirect, in any transactions which materially affected or would materially affect the Company or any of its subsidiaries.

APPOINTMENT OF AUDITOR AND REMUNERATION OF AUDITOR

Management of the Company proposes to nominate as auditor of the Company D&H Group LLP, Chartered Accountants, of Vancouver, British Columbia, to serve until the close of the next annual general meeting of the Company, and to authorize the directors to fix the remuneration of the auditor so appointed. D&H Group LLP was first appointed auditor of the Company on October 27, 2014. See “Particulars of Matters To Be Acted On – Appointment of Auditor”.

AUDIT COMMITTEE

Pursuant to National Instrument 52-110 “Audit Committees” (“NI 52-110”), the Company is required to provide disclosure with respect to its Audit Committee, including the text of the Audit Committee’s charter, composition of the Audit Committee and fees paid to the external auditors. Attached hereto as Schedule “A” is the text of the Audit Committee’s Charter.

Composition of the Audit Committee

Following the election of the directors pursuant to this Information Circular, the following directors will be members of the Audit Committee of the Company:

Name	Independent ⁽¹⁾	Financially Literate ⁽²⁾
Cyndi Laval	No	Yes
Todd L. Hilditch	No	Yes
William Lamb	No	Yes

Notes:

- (1) *A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment. Exchange issuers such as the Company, are exempt from such independency requirements pursuant to section 21(b) of Exchange Policy 3.1, Directors, Officers, Other Insiders & Personnel and Corporate Governance, which states that the Company must have an audit committee comprised of at least three directors, the majority of whom are not officers, employees or control persons of the Company or any of its associates or affiliates. The Company is currently seeking qualified individuals to be elected to the Audit Committee to be in compliance with these requirements.*
- (2) *An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.*

Relevant Education and Experience

The following is a summary of the Audit Committee members' education and experience which is relevant to the performance of their responsibilities as an Audit Committee member:

Cyndi Laval

Ms. Laval is a partner at the law firm of Gowling WLG (Canada) LLP, Vancouver, B.C. Ms. Laval specializes in the areas of corporate finance, securities, mergers and acquisitions, and mining law. Ms. Laval's practice involves advising both domestic and foreign companies regarding friendly and hostile merger transactions, corporate finance activities, such as equity and debt financings, stock exchange listings, corporate and securities regulatory compliance, corporate reorganizations, corporate governance, and mining-related transactions. Ms. Laval is particularly active in advising publicly listed companies (TSX, TSXV, NYSE-MRT and AIM) in the resource industry. Ms. Laval was named as one of Vancouver's 30 leading lawyers by the National Post and is recognized as a leading lawyer in the following publications: The Best Lawyers in Canada; The International Who's Who of Mining Lawyers; The Best Lawyers in Canada and Canadian Legal Lexpert Directory. Prior to joining private practice, Ms. Laval worked in the policy department of the now Vancouver Stock Exchange. Ms. Laval was a member of the Exchange's Local Advisory Committee from 2006 to 2013 and an instructor of the Exchange Rules and Tools Corporate Governance Workshop from 2004 to 2010. She has also given lectures at several other conferences and seminars

Todd L. Hilditch

Mr. Hilditch has been a director and executive officer for several decades. He has also been a director and/or officer of other Exchange-listed issuers and an audit committee member of several mineral exploration companies listed on the Exchange. Over the past 20 years, Mr. Hilditch has been responsible for all capital raising, negotiations, acquisitions and directing all other aspects of managing a public company. He holds a Bachelor of Science degree in Management (finance concentration) from Rensselaer Polytechnic Institute in New York State.

William Lamb

Mr. Lamb has over 25 years experience in the mining operations and project development industry. Mr. Lamb served as Chief Executive Officer of Lucara Diamond Corp. (“Lucara”) from May 2011 to February 2018 before retiring from Lucara. During that time, Mr. Lamb played an integral role in taking Lucara’s flagship Karowe mine from feasibility through to a steady state, world class, operating diamond mine. Under Mr. Lamb’s leadership, the Karowe mine evolved into one of the world’s highest margin diamond mines and the foremost producer of large, Type IIA diamonds in excess of 10.8 carats, including the historic 1,109 carat Lesedi La Rona (second largest gem diamond ever recovered) and the 813 carat Constellation (sold for a record USD\$63.1 million). Mr. Lamb was a champion through both autogenous milling and the use of X-ray transmission sorters to preserve large, high value stones and to create a simpler, more secure and efficient flowsheet.

In their positions with the Company and other mineral resource companies, members of the Audit Committee have been responsible for receiving information relating to other companies and obtaining an understanding of the balance sheet, income statements and statements of cash flows and how these statements are integral in assessing the financial conditions of companies and their operating results.

Each member has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company’s financial disclosures and internal control systems.

Audit Committee Oversight

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

Reliance on Certain Exemptions

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

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the Board to review the performance of the Company’s external auditors and approve in advance of the provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company. The Audit Committee is authorized to approve any non-audit services or additional work which the CFO deems as necessary, who will notify the other members of the Audit Committee of such non-audit or additional work.

External Auditor Service Fees (By Category)

The following table provides information about the fees billed to the Company for professional services rendered by the Company’s external auditors, D&H Group LLP, for fiscal year 2016 and 2017:

Financial Year Ended	Audit Fees ⁽¹⁾	Audit-related Fees	Tax Fees ⁽²⁾	All Other Fees⁽³⁾
December 31, 2016	\$8,000	NIL	\$1,989	\$6,500
December 31, 2017	\$8,500	NIL	\$600	NIL

Notes:

- (1) *Audit fees consist of fees for the audit of the Company's annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.*
- (2) *Tax fees consist of fees for tax compliance services, tax advice and tax planning. During fiscal years 2016 and 2017, the services provided in this category included assistance and advice in relation to the preparation of corporate income tax returns.*
- (3) *Interim review fees in connection with the Company's Qualifying Transaction as defined in the policies of the Exchange.*

Exemption

The Company is relying upon the exemption in section 6.1 of NI 52-110, which exempts venture issuers (as defined therein) from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110).

MANAGEMENT CONTRACTS

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

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making. National Policy 58-201, Corporate Governance Guidelines, establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101, *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), mandates disclosure of corporate governance practices for venture issuers in Form 58-101F2, *Corporate Governance Disclosure (Venture Issuers)*, which disclosure is set out below.

Board of Directors

Structure and Compensation

The Board is currently composed of four (4) directors. All of the proposed nominees for election as directors at the Meeting are current directors of the Company. A director is "independent" if the individual has no direct or indirect material relationship with the Company which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment, whether on the Board or a committee of the Board. Notwithstanding the foregoing, NI 52-110 deems certain individuals to have a material relationship with a company including, but not limited to, an individual who is, or has been within the last three years, an employee or executive officer of such company.

The Board has determined that all board members are not independent for purposes of the Board members as provided in NI 58-101. *See Composition of the Board below.*

Director Nominees	Independent	Non-Independent	Reason for Non-Independence
Todd Hilditch		✓	Chief Executive Officer of the Company
Cyndi Laval		✓	Partner of a law firm providing legal services to the Company
William Lamb		✓	Executive Chairman of the Board
Bryan McKenzie		✓	Chief Financial Officer and Corporate Secretary of the Company

The Board is currently seeking independent directors and expects the Board will elect a minimum of two (2) independent members in the near future.

The non-independent directors actively seek out the views of independent directors on all Board matters. The independent directors exercise their responsibilities for independent oversight of management, and are provided with leadership through their ability to meet independently of management whenever deemed necessary.

The quantity and quality of the Board compensation is reviewed on an annual basis. At present, the Board is satisfied that the current Board compensation arrangements, which includes the grant of incentive stock options for all directors, adequately reflects the responsibilities and risks involved in being an effective director of the Company. The number of options to be granted is determined by the Board as a whole, thereby providing the independent directors with significant input into compensation decisions.

Participation of Directors in Other Reporting Issuers

Certain of the Company's directors are directors of other reporting issuers, as set out in the following table:

Director	Reporting Issuer
Todd Hilditch	Azarga Uranium Corp. Terraco Gold Corp.

Mandate of the Board

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company's affairs directly and through the Audit Committee. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company's overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company's proposed actions accord with Shareholder objectives; reviewing succession planning; assessing management's performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to Shareholders; ensuring the effective operation of the Board; and safeguarding Shareholders' equity interests through the optimum utilization of the Company's capital resources. The Board also takes responsibility for identifying the principal risks of the Company's business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company's development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate legislation and regulatory policies. However, as the Company grows, the Board will move to develop a formal written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company's internal control and management information systems and for the Company's policies respecting corporate disclosure and communications.

Each member of the Board understands that he or she is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

The Board does not, and does not consider it necessary to, have any formal structures or procedures in place to ensure that the Board can function independently of management. Currently the Company is seeking to a minimum of two additional independent Board member. The Board believes that until such time its current composition is sufficient to ensure that the Board can function independently of management.

Nomination and Assessment

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the CEO. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness on an ad hoc basis. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors. Proposed directors' credentials are reviewed in advance of a Board Meeting with one or more members of the Board prior to the proposed director's nomination.

New directors are briefed on strategic plans, short, medium and long-term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing Company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current limited operations.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, the auditor and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "*Election of Directors*" for a description of the current principal occupations of the Company's Board.

Expectations of Management and Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances Shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

Committee Responsibilities and Activities

Committees of the Board are an integral part of the Company's governance structure. At the present time, the only standing committee is the Audit Committee. Disclosure with respect to the Audit Committee, as required by NI 52-110, is contained elsewhere in this Information Circular under the heading "Audit Committee". As the Company grows, and its operations and management structure became more complex, the Board will likely find it appropriate to constitute formal

standing committees, such as a Corporate Governance Committee and Nominating Committee, and to ensure that such committees are governed by written charters or mandates and are composed of at least a majority of independent directors.

Compensation

For a discussion of the process taken to determine compensation for the directors and the NEO, see the disclosure in this Information Circular under “Compensation Discussion and Analysis”.

PARTICULARS OF MATTERS TO BE ACTED ON

To the knowledge of the Company’s directors, the matters to be brought before the Meeting are those set forth in the accompanying Notice of the Meeting as described herein.

1. Financial Statements and Auditor’s Report

Pursuant to the provisions of the Act (and the Company’s Articles), the directors of the Company will submit to the Shareholders at the Meeting the audited consolidated financial statements of the Company, and the Auditor’s Report thereon for the financial years ended December 30, 2016 and 2017, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

2. Election of Directors

Information regarding the four director nominees can be found under the heading “Election of Directors” on page 5.

3. Appointment of Auditor

At the Meeting, the Shareholders will be called upon to appoint the auditor to serve until the close of the next annual general meeting of the Company, and to authorize the directors to fix the remuneration of the auditor so appointed. The Audit Committee and management recommend that the Shareholders vote for the appointment of D&H Group LLP, Chartered Accountants, the auditor of the Company since October 27, 2014. Please see the heading “*Appointment of Auditor and Remuneration of Auditor*” above.

4. Approval of the Plan

The Plan is a 10% rolling stock option plan as described in Exchange Policy 4.4 first adopted for the Company in October 27, 2014 (See “Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan” for details of the Plan). The Company is required to obtain the approval of its Shareholders for its rolling plan on an annual basis. Accordingly, the Shareholders will be asked to ratify, confirm and approve the Plan. The Plan is summarized under “*Securities Authorized for Issuance under Equity Compensation Plans – Stock Option Plan*”.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to approve, with or without variation, an ordinary resolution, in the following form to approve the Plan:

“BE IT RESOLVED as an ordinary resolution that:

- 1. the proposed Plan as described in the Information Circular dated October 25, 2018 be and is hereby ratified, confirmed and approved, subject to the acceptance for filing thereof by the TSX Venture Exchange;*
- 2. the number of common shares of the Company reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding Common Shares of the Company at the time of any stock option grant;*
- 3. the board of directors of the Company be authorized and directed to make any changes to the Plan if required by the TSX Venture Exchange; and*

4. *any director or officer of the Company is hereby authorized to execute (whether under the corporate seal of the Company or otherwise) and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable in connection with such approval, the execution of any such document of the doing of any such other act or thing by any director or officer of the Company being conclusive evidence of such determination.*

The approval of the above resolution must be passed by not less than a majority of the votes cast by those Shareholders, who being entitled to do so, vote in person or by proxy in respect of the resolution at the Meeting. The Board recommends that Shareholders vote in favour of the above resolution. In the absence of contrary instructions, the persons named in the enclosed form of proxy intend to vote in favour of the foregoing ordinary resolution at the Meeting.

A copy of the Plan may be inspected at the offices of Gowling (WLG) Canada LLP, counsel to the Company, Suite 2300, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5, during normal business hours and at the Meeting. In addition, a copy of the Plan will be mailed, free of charge, to any holder of Common Shares. Any such requests should be mailed to the Company, at its head office at Suite 2390, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9, Canada, to the attention of the Corporate Secretary.

OTHER MATTERS

The enclosed form of proxy conveys discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of the Meeting, and with respect to other matters that may properly come before the Meeting. While management of the Company knows of no such amendments, variations or other matters, which may properly be presented at the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxy according to their best judgment.

ADDITIONAL INFORMATION

Additional financial and other information relating to the Company on the Company's profile on SEDAR at www.sedar.com.

Shareholders of the Company may request copies of the Company's financial statements and management discussion and analysis by contacting the Company's head office at Suite 2390, 1055 West Hastings Street, Vancouver, British Columbia, V6E 2E9, Canada, telephone (604) 443-3833, toll free: 1 (877) 792-6688, ext. 1.

Schedule “A”
Riley Resources Corp.
(the “Company”)

AUDIT COMMITTEE CHARTER

1. Purpose and Objectives

- 1.1 The Audit Committee will assist the board of directors (the “Board”) in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the Company’s process for monitoring compliance with laws and regulations. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each Audit Committee member will obtain an understanding of the responsibilities of Audit Committee membership as well as the Company’s business, operations and risks.

2. Authority

- 2.1 The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice and to ensure the attendance of Company officers at meetings as appropriate.
- 2.2 The Board will instruct its external auditors to report directly to the Audit Committee.

3. Composition, Procedures and Organization

Membership

- 3.1 The Audit Committee shall consist of at least three members of the Board, a majority of which are not officers, employees or control persons of the Company or any associates or affiliates of the Company.
- 3.2 The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Audit Committee for the ensuing year. The Board may at any time remove or replace any member of the Audit Committee and may fill any vacancy in the Audit Committee.
- 3.3 Unless the Board shall have appointed a chair of the Audit Committee or in the event of the absence of the chair, the members of the Audit Committee shall elect a chair from among their number.
- 3.4 The secretary of the Audit Committee shall be designated from time to time from one of the members of the Audit Committee or, failing that, shall be the Company’s corporate secretary, unless otherwise determined by the Audit Committee.
- 3.5 The Audit Committee shall have access to such officers and employees of the Company and to the Company’s external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Meetings

- 3.6 The quorum for meetings shall be a majority of the members of the Audit 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.
- 3.7 Meetings of the Audit Committee shall be conducted as follows:
- (a) the Audit Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Audit Committee. Special meetings shall be convened as required. The external auditors or any member of the Audit Committee may request a meeting of the Audit Committee;
 - (b) the chair of the Audit Committee shall be responsible for developing and setting the agenda for Audit Committee meetings and determining the time and place of such meetings;
 - (c) the Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate; and
 - (d) notice of the time and place of every meeting of the Audit Committee shall be given in writing to each member of the Audit Committee a reasonable time before the meeting.
- 3.8 The proceedings of all meetings of the Audit Committee will be minuted.

Procedures

- 3.9 The internal auditors and the external auditors shall have a direct line of communication to the Audit Committee through its chair and may bypass management if deemed necessary. The Audit Committee, through its chair, may contact directly any employee in the Company as it deems necessary, and any employee may bring before the Audit Committee any matter involving questionable, illegal or improper financial practices or transactions.
- 3.10 The Audit Committee shall have authority to engage independent counsel and other advisors as it determines necessary to carry out its duties, to set and pay the compensation for any advisors employed by the Audit Committee and to communicate directly with the internal and external auditors.

4. Roles and Responsibilities

- 4.1 The overall duties and responsibilities of the Audit Committee shall be as follows:
- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements;
 - (b) to establish and maintain a direct line of communication with the Company's internal auditors, if any, and external auditors and assess their performance; and

- (c) to ensure that the management of the Company's has designed, implemented and is maintaining an effective system of internal financial controls.

4.2 The duties and responsibilities of the Audit Committee as they relate to the external auditors shall be as follows:

- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
- (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors and ensure no unjustifiable restrictions or limitations have been placed on the scope;
- (c) to review the audit plan of the external auditors prior to the commencement of the audit;
- (d) to approve in advance the provision of non-audit services provided by the external auditors;
- (e) to review with the external auditors, upon completion of their audit:
 - (i) the content of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) internal resources used;
 - (v) significant transactions outside of the normal business of the Company;
 - (vi) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
- (f) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles.

4.3 The duties and responsibilities of the Audit Committee as they relate to the Company's internal auditors, as and when applicable, shall be as follows:

- (a) to periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department; and
- (b) to review significant internal audit findings and recommendations.

4.4 The duties and responsibilities of the Audit Committee as they relate to the internal control procedures of the Company shall be as follows:

- (a) to review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

- (b) to review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- (c) to periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4.5 The Audit Committee is also charged with the responsibility to:

- (a) review the annual and quarterly financial statements, including Management's Discussion and Analysis with respect thereto, and all annual and interim earnings press releases, prior to public dissemination, including any certification, report, opinion or review rendered by the external auditors and determine whether they are completed and consistent with the information known to the Audit Committee;
- (b) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Company's financial statements, and to periodically assess the adequacy of those procedures;
- (c) evaluate the fairness of the interim financial statements and related disclosures including the associated Management's Discussion and Analysis, and obtain explanations from management on whether:
 - (i) actual financial results for the interim period varied significantly from budgeted or projected results;
 - (ii) generally accepted accounting principles have been consistently applied;
 - (iii) there are any actual or proposed changes in accounting or financial reporting practices; and
 - (iv) there are any significant or unusual events or transactions which require disclosure and, if so, consider adequacy of that disclosure;
- (d) review and approve the financial sections of:
 - (i) the annual information form (if any);
 - (ii) prospectuses (if any); and
 - (iii) other public reports requiring approval by the Board; and report to the Board with respect thereto;
- (e) review the appropriateness of the policies and procedures used in the preparation of the Company's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;
- (f) review the minutes of any Audit Committee meeting;

- (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 Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of material facts;
- (i) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company; and
- (j) establish a procedure for:
 - (i) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
 - (ii) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters.

Approved by the Board of Directors on October 27, 2014