

**ROJO RESOURCES LTD.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**For the Annual Meeting of Shareholders**  
**to be held on November 30, 2018**

**November 5, 2018**

**ROJO RESOURCES LTD.**  
**INVITATION TO SHAREHOLDERS**

Dear Shareholder:

On behalf of the board of directors, management and employees, we invite you to attend the Rojo Resources Ltd. (the “**Corporation**”) Annual Meeting of Shareholders on November 30, 2018 (the “**Meeting**”).

The items of business to be considered at this Meeting are described in the Notice of Annual Meeting and the accompanying management information circular. Your vote is important regardless of the number of common shares in the Corporation (“**Common Shares**”) you own. Whether or not you are able to attend, if you are a registered holder, we urge you to complete the enclosed management form of proxy and return it in the prepaid envelope or using any one of the methods described on the form of proxy by not later than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof. Voting by proxy will not prevent you from voting in person if you attend the Meeting but will ensure that your vote will be counted if you are unable to attend. If you hold your Common Shares through a broker or an intermediary, we urge you to complete the applicable management voting instruction form or provide your voting instructions by other acceptable methods.

During the Meeting, we will review the existing operations of the Corporation and the Corporation’s plans for the future. You will also have an opportunity to ask questions, and to meet your directors and officers.

We look forward to seeing you at the Meeting.

Sincerely,

*“Allen Morishita”*

Allen Morishita  
Chief Executive Officer and Director

## ROJO RESOURCES LTD.

### NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of shareholders of Rojo Resources Ltd. (the “**Corporation**”) will be held at the offices of Miller Thomson LLP, 840 Howe Street Suite 1000, Vancouver, British Columbia, V6Z 2M1, on November 30, 2018 at the hour of 10:00 a.m. (Vancouver time), for the following purposes:

- (a) To receive the audited annual consolidated financial statements of the Corporation for the financial year ended July 31, 2018 and the report of the auditors thereon.
- (b) To consider, and if deemed advisable, to pass the resolution to fix the number of directors of the Corporation at four.
- (c) To consider, and if deemed advisable, to pass the resolution electing the directors named in the accompanying management information circular (“**Information Circular**”) of the Corporation.
- (d) To re-appoint Kanester Johal, Chartered Accountants, as auditors for the ensuing year and to authorize the directors to fix their remuneration.
- (e) To consider, and if deemed advisable, to pass the resolution ratifying, confirming and approve the Corporation’s Stock Option Plan as more particularly described in the accompanying information circular.
- (f) To transact such other business as may properly come before the Meeting or any adjournment thereof.

Shareholders of record as at the close of business on Thursday October 31, 2018, will be entitled to notice of and to vote at the Meeting.

A detailed description of the matters to be acted upon at the Meeting is set forth in the Information Circular.

Copies of: (a) this notice of annual and special meeting of shareholders, (b) the Information Circular, and (c) a Management form of proxy and instructions in relation thereto (the “**Management Proxy**”) will be sent to a shareholder without charge upon request by calling (604) 803-2201.

**DATED** the 05<sup>th</sup> day of December 2018

**By Order of the Board of Directors**

*“Allen Morishita”*

Allen Morishita  
Chief Executive Officer and Director

**NOTE: If you are the holder of Common Shares, kindly fill in, date, sign and return, in the addressed prepaid envelope provided for that purpose, the enclosed Management Proxy in respect of the Common Shares owned by you and deliver the completed Management Proxy or deposited at the offices of National Issuer Services Ltd. 760-777 Hornby Street, Vancouver BC V6Z 1S4 on behalf of the Corporation, so as not to arrive later than 10:00 a.m. (Vancouver time) on Wednesday November 28, 2018, or if the Meeting is adjourned, no later than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the Management Proxy is to be used. Management Proxies may not be deposited with the chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof. Registered shareholders may also vote by telephone or over the Internet. Instructions on how to vote by telephone or over the Internet are provided in the Information Circular and Management Proxy enclosed. Non-registered shareholders should follow the instructions on how to complete their voting instruction form or form of proxy and vote their shares on the Management forms that they receive or contact their broker, trustee, financial institution or other nominee.**

**ROJO RESOURCES LTD.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION OF PROXIES**

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by management (“**Management**”) of Rojo Resources Ltd. (the “**Corporation**”), of proxies to be used at the annual and special meeting (the “**Meeting**”) of shareholders of the Corporation (each a “**Shareholder**” and collectively, the “**Shareholders**”) to be held at the offices of Miller Thomson LLP, 840 How Street Suite 1000, Vancouver, British Columbia, November 30, 2018 at the hour of 10:00 a.m. (Vancouver time), for the purposes set forth in the accompanying notice of annual and special meeting (the “**Notice**”). Except as otherwise indicated, information herein is given as at November 5, 2018. The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone by regular employees or agents of the Corporation. The cost of solicitation will be borne by the Corporation.

In this Information Circular, all references to dollar amounts are to Canadian dollars, unless otherwise specified.

**APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the enclosed management form of proxy (“**Management Proxy**”) are both directors of the Corporation, respectively, and one is also the Chief Executive Officer of the Corporation. **Registered Shareholders (each a “Registered Shareholder”) have the right to appoint a person to attend and act for him, her or its and on his, her or its behalf at the Meeting other than the persons named above. Such right may be exercised by inserting in the blank space provided the name of the person to be appointed, who need not be a Shareholder, or by completing another proper form of proxy.** In either case, as a Registered Holder you can choose from three different ways to vote your common shares in the capital of the Corporation (“**Common Shares**”) by proxy: (a) by mail or delivery in the addressed envelope provided or deposited at the offices of National Issuer Services Ltd. (“**National**”), Proxy Department, 760-777 Hornby Street, Vancouver BC V6Z 1S4, on behalf of the Corporation, so as not to arrive later than 10:00 a.m. (Vancouver time) on Wednesday, November 28, 2018, or if the Meeting is adjourned, at the latest 48 hours (excluding Saturdays, Sundays and holidays) before the time set for any reconvened meeting at which the proxy is to be used; (b) by fax at 1-604-559-8908; or (c) Email: [proxie@transferagent.ca](mailto:proxie@transferagent.ca)

In addition to revocation in any other manner permitted by law, a proxy may be revoked by: (a) completing and signing a proxy bearing a later date and depositing it with Computershare, on behalf of the Corporation, so it is received by not later than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or an adjournment thereof; or (b) providing an instrument in writing to the chair of the Meeting, at the Meeting or any adjournment thereof.

**EXERCISE OF DISCRETION BY PROXIES**

The persons named in the Management Proxy will vote for, withhold from voting or vote against, as the case may be, the Common Shares in respect of which he is appointed as proxy in accordance with the direction of the Shareholder appointing him. **In the event that a Shareholder does not specify in his, her or its instrument of proxy that the named Management Proxy is required to vote for, to withhold from voting or vote against, as applicable, in respect of the matters to be considered at the**

**Meeting, the Common Shares represented by such proxy shall be voted FOR each of the matters referred to therein.**

The Management Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting. At the time of printing this Information Circular, neither Management nor the directors of the Corporation (each a “**Director**” and collectively, the “**Directors**”) are aware of any amendments, variations or other matters intended to come before the Meeting other than those items of business set forth in the attached Notice. However, if any such amendment, variation or other matter properly comes before the Meeting, it is the intention of the persons named in the Management Proxy to vote on such other business in accordance with his judgment.

### **INFORMATION FOR BENEFICIAL HOLDERS OF SECURITIES**

Information set forth in this section is important to persons other than Registered Holders. Only Registered Holders, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, Common Shares beneficially owned by a non-registered holder (a “**Beneficial Holder**”) are registered either:

- (a) in the name of an intermediary that the Beneficial Holder deals with in respect of the Common Shares. Intermediaries include 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 depository (such as The Canadian Depository for Securities Limited (“**CDS**”).

In accordance with Canadian securities law, the Corporation has distributed copies of the Notice, this Information Circular and the Management Proxy (collectively, the “**Meeting Materials**”) to CDS and intermediaries for onward distribution to Beneficial Holders. Intermediaries are required to forward the Meeting Materials to Beneficial Holders unless a Beneficial Holder has waived the right to receive them.

Applicable regulatory policy in Canada requires brokers and other intermediaries to seek voting instructions from Beneficial Holders in advance of shareholders’ meetings. Every broker or other intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Holders in order to ensure that their Common Shares are voted at the Meeting. Beneficial Owners will receive either a Management voting instruction form or, less frequently, a Management Proxy. Often, the voting instruction form supplied to a Beneficial Holder by its broker is identical to that provided to Registered Holders. However, its purpose is limited to instructing the Registered Holder how to vote on behalf of the Beneficial Holder. Beneficial Holders should follow the procedures set out below, depending on which type of form they receive.

- (a) *Management Voting Instruction Form.* In most cases, a Beneficial Holder will receive, as part of the Meeting Materials, a Management voting instruction form. If the Beneficial Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Beneficial Holder’s behalf), the Management voting instruction form must be completed, signed and returned in accordance with the directions on the form. If a Beneficial Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Beneficial Holder’s behalf), the Beneficial Holder must complete, sign and return the Management voting instruction form in accordance

with the directions provided, together with a form of proxy giving the right to attend and vote.

- (b) *Management Proxy.* Less frequently, a Beneficial Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Beneficial Holder but which is otherwise uncompleted. If the Beneficial Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Beneficial Holder must complete the Management Proxy and deposit it with National Issuer Services Ltd., 760-777 Hornby Street, Vancouver BC V6Z 1S4 than 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or any adjournment thereof. If a Beneficial Holder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the Beneficial Holder's behalf), the Beneficial Holder must strike out the names of the persons named in the Management Proxy and insert the Beneficial Holder's (or such other person's) name in the blank space provided and return to Computershare as described above.

Most brokers now delegate responsibility for obtaining instructions from clients (i.e. Beneficial Holders) to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails voting instruction forms or proxy forms, to the Beneficial Holders and asks Beneficial Holders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions representing the voting of Common Shares to be represented at the Meeting. A Beneficial Holder receiving a voting instruction form or proxy form from Broadridge, cannot use that voting instruction form or proxy form to vote Common Shares directly at the Meeting. A voting instruction form or proxy form must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted. The cost of solicitation by Broadridge will be borne by the Corporation.

Although Beneficial Holders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their broker or other intermediary, a Beneficial Holder may attend at the Meeting as proxyholder for the Registered Holder and vote their Common Shares in that capacity. Beneficial Holders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Registered Holder should enter their own names in the blank space on the Management voting instruction form or form of proxy provided to them and return the same to their broker or other intermediary (or the agent of such broker or other intermediary) in accordance with the instructions provided by such broker, intermediary or agent well in advance of the Meeting in order to have the Common Shares voted.

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

The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed as the close of business on Wednesday October 31, 2018 (the "**Record Date**"). As of the Record Date, 5,088.086 Common Shares, each carrying the right to one vote per Common Share at the Meeting, were issued and outstanding. The Corporation will prepare a list of holders of Common Shares as of such Record Date. Each Shareholder named in the list will be entitled to one vote per Common Share shown opposite his or her name on the said list.

To the knowledge of Management and the Directors, as at the date hereof, only one person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than ten percent (10%) of the issued and outstanding Common Shares of the Corporation.

Allen Morishita beneficially owns 11.57%

Your vote is important regardless of the number of Common Shares you own. Whether or not you are able to attend, if you are a Registered Holder, we urge you to complete the enclosed Management Proxy and return it in the envelope provided by no later than 10:00 a.m. (Vancouver time) on Wednesday, January 04, 2017. Voting by proxy will not prevent you from voting in person if you attend the Meeting but will ensure that your vote will be counted if you are unable to attend. If you hold your Common Shares through a broker or an intermediary, we urge you to complete the applicable Management voting instruction form or provide your voting instructions by other acceptable methods.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **1. Fixing Number of Directors**

Fixing the number of Directors at four for the ensuing year.

The Shareholders will be requested at the Meeting to pass the following resolution:

#### **“IT IS HEREBY RESOLVED, THAT:**

1. any director or officer of the Corporation is hereby authorized for, on behalf of, and in the name of the Corporation to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the fixing of the number of directors and the foregoing resolution, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**The persons named in the Management Proxy intend to vote FOR the resolution to fixing the number of Directors at four in the absence of directions to the contrary from the Shareholders appointing them.**

### **2. Election of Directors**

The articles of incorporation provide that the board of directors (the “**Board**”) of the Corporation consist of a minimum of three Directors. The number of Directors of the Corporation is currently set at four assuming that the Shareholders pass the resolution to fix the number of Directors at four, the number of Directors shall be four.

The Board annually assess the competence and skills of its members and works together with Management to recommend nominees for election to the Board for consideration and approval. The nominees are, in the opinion of the Board, well qualified to act as Directors for the coming year. Each nominee has established his eligibility and willingness to serve as Director, if elected. Each duly elected Director will hold office until the next annual meeting of Shareholders or until a successor is duly elected, unless his or her office is earlier vacated in accordance with the articles of the Corporation.

To the knowledge of the Corporation other than as disclosed herein, no Director is, or has been in the last ten (10) years, a director or executive officer of an issuer that, while that person was acting in that

capacity: (a) was the subject of a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; (b) was subject to an event that resulted, after that person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under Canadian securities legislation, for a period of more than 30 consecutive days; or (c) within a year of that person ceasing to act in that capacity, become 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. To the knowledge of the Corporation, in the past ten (10) years, no Director has become bankrupt, made a proposal under any legislation related 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 the assets of the Director.

The following chart sets out the names and residence location of each person proposed to be nominated for election as a Director; all other positions and offices with the Corporation; the date on which the Director was first elected; the Director's period or periods of service as a Director; their principal occupations and their occupations for the previous five years; other directorships; committee memberships in the Corporation; and the approximate number of securities of the Corporation, beneficially owned by each Director or over which such Director exercises control or direction as at the Record Date.<sup>1</sup>

Management and the Directors do not contemplate that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the Management Proxy reserve the right to vote FOR another nominee in their discretion.

| Name and Residence                              | Position in the Corporation | Date First Elected | Number of Securities Held | Present Principal Occupation <sup>(1)</sup> |
|---|-----------------------------|--------------------|---------------------------|---|
| Allen Morishita (1)<br>British Columbia, Canada | Chairman/CEO/Director       | Mar 13, 2012       | 588,750                   | Independent Businessman                     |
| Patricia Wilson (2)<br>British Columbia, Canada | CFO/Corp Sec/Director       | Aug 1, 2002        | 195,500                   | Independent Businesswomen.                  |
| John Adams<br>Colorado, USA                     | Director                    | Aug 25, 2013       | 25,625                    | Independent Businessman                     |
| Mark Tommasi (3)<br>British Columbia, Canada    | Director                    | Nov 12, 2015       | 60,000                    | Independent Businessman                     |

(1) **Notes:** The information as to principal occupation, business or employment activities performed outside of the Corporation and Common Shares beneficially owned or controlled has been furnished by the respective directors and nominees of the Corporation and is not within the knowledge of management of the Corporation. Unless otherwise stated above, any nominees named above not elected at the last annual general meeting have held the principal occupation or employment indicated for at least five years.

The information relating to each Director having been subject to a cease trade order or bankruptcy, and each Director's shareholdings and biography is not known by Management. All such information was provided to the Corporation by each Director, respectively.

- 1, Allen Morishita holds 269,250 common shares directly and 259,500 common shares indirectly through Kyly Investment Ltd., a privately held company and 120,000 indirectly through Morquest Trading Inc., a privately held Company in which he has a 50% interest..
- 2 Patricia Wilson holds 193,000 shares directly and 2,500 common shares indirectly through 666726 BC Ltd. a privately held Company.
- 3 Mark Tommasi Holds 60,000 indirectly through 6227 38 BC Ltd. a privately held Company

The following is biographical information on each of the persons listed above:

**Allen Morishita.** Mr. Morishita has more than 30 years experience in the securities industry as a Vice-President and investment advisor with Canaccord Genuity Corp. (September 1980 to May 2011). Mr. Morishita retired from Canaccord in May 2011, and is currently the President of Kyly Investment Ltd. and Secretary/Treasurer of Morquest Trading Corporation, both privately held investment companies.

**Patricia Wilson,** Ms Wilson has in-depth experience in operating public companies, having served Rojo Resources Ltd., in various progressive positions as Chief Financial Officer, Corporate Secretary, Treasurer, and Director of Rojo Resources Ltd over the course of the past 27 years. Ms. Wilson has over thirty years experience in the public market sector in compliance and accounting.

**John Adams.** Mr. Adams brings over 30 years of experience in the mining business to the Company. The son of the late Robert W. Adams, one of the founders of the US uranium industry, John managed the family owned company Energy Fuels Corporation, which developed and owned the largest coal mine in Colorado (4 million tons per year). John was also Chief Executive Officer of Energy Fuels Nuclear Inc., the largest producer of uranium in the US (5 million lbs. per year) during the 1980's and early 1990's. For over 10 years, Mr. Adams has been developing the Toroparu Gold Deposit in Guyana, South America. In addition, to his mining activities Mr. Adams has been active in real estate development, banking, and cattle production.

**Mark Tommasi.** Mr. Tommasi has over 20 years of experience in corporate development, equity, private equity and venture capital financing, IPO's and private placements, marketing, investor relations and board and committee activities. Mr. Tommasi has served as Senior officer, director, financier or consultant for 16 public and private companies (agriculture, technology, junior exploration, and oil and gas) in both the United States and Canada. He is noted for ability to attract the components necessary to help young companies get to the next level.

The Shareholders will be requested at the Meeting to pass the following resolution:

**“IT IS HEREBY RESOLVED, THAT:**

1. The following persons be elected as Directors to hold office until the next annual meeting of Shareholders or until a successor is duly elected, unless his office is earlier vacated in accordance with the articles of the Corporation:

Allen Morishita

Patricia Wilson

John Adams

Mark Tommasi

2. Any director or officer of the Corporation is hereby authorized for, on behalf of, and in the name of the Corporation to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the appointment of directors and the foregoing resolution, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**The persons named in the Management Proxy intend to vote FOR the resolution appointing the slate of Directors set out above in the absence of directions to the contrary from the Shareholders appointing them.**

**3. Re-Appointment and Remuneration of Auditors**

Management recommends that Kanester Johal, Chartered Accountants (“**Kanester**”), which has served as auditors of the Corporation since October 25, 2008, be re-appointed as the auditors of the Corporation and authorize the Directors to fix the auditors’ remuneration.

The Shareholders will be requested at the Meeting to pass the following resolution:

**“IT IS HEREBY RESOLVED, THAT:**

1. Kanester Johal, Chartered Accountants, be re-appointed as the auditors of the Corporation, and the board of directors of the Corporation are hereby authorized to fix the remuneration of Kanester Johal, Chartered Accountants; and

2. any director or officer of the Corporation is hereby authorized for, on behalf of, and in the name of the Corporation to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the filing of the articles of amendment and the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby.”

**The persons named in the Management Proxy intend to vote FOR the re-appointment of Kanestar Johal, Chartered Accountants, as auditors of the Corporation to hold office until the next annual meeting of Shareholders and authorizing the Directors to fix the remuneration of the auditors in the absence of directions to the contrary from the Shareholders.**

### **3, Ratification of Approved Stock Option Plan**

The TSXV requires all TSXV listed companies who have adopted a stock option plan which reserves a rolling maximum of 10% of the number of common shares issued and outstanding on the applicable date of grant, to obtain shareholder ratification to the Stock Option Plan on an annual basis. As at the date of this Information Circular, the Corporation had 5,088,086 common shares issued and outstanding so that a maximum of 508,808 common shares would be available for issuance pursuant to the stock options granted under the Stock Option Plan. Currently there are nil stock options outstanding under the Stock Option Plan, leaving 508,808 common shares available for grant of further options. Accordingly, the Corporation requests that the shareholders ratify and approve the Stock Option Plan.

The following is a summary of the principal terms of the Stock Option Plan, which summary is qualified by and is subject to the full terms and conditions of the Stock Option Plan. Except as otherwise defined herein, capitalized terms used herein have the meanings ascribed thereto in the Stock Option Plan.

The purpose of the Stock Option Plan is to advance the interests of the Corporation by attracting, retaining and motivating persons as directors, officers, key employees and consultants of the Corporation, and providing them with a greater incentive to develop and promote the growth and success of the Corporation by granting to them options to purchase shares in the capital of the Corporation. The granting of such options is intended to align the interests of such persons with that of the Shareholders. Pursuant to the Stock Option Plan, the Board may from time to time authorize the issue of options to directors, officers, key employees and consultants of the Corporation and its affiliates. Options will be exercisable over periods of up to ten years as determined by the Board and are required to have an exercise price no less than the fair market value of the Common Shares at the date of grant of such options, as determined in accordance with the Stock Option Plan.

The maximum number of Common Shares which may be issued pursuant to options previously granted and those granted under the Stock Option Plan will be a maximum of 10% of the issued and outstanding Common Shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not, on a yearly basis, exceed 5% of the issued and outstanding Common Shares or 2% of the issued and outstanding Common Shares if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion.

## **Administration**

- (a) The Plan shall be administered by the Board in accordance with the rules and policies of the Exchange in respect of employee stock option plans. The Board shall receive recommendations of management and shall determine and designate from time to time those Eligible Persons to whom an Option should be granted, the number of Shares which will be optioned from time to time to any Eligible Person and the terms and conditions of the Option.
- (b) Subject to Applicable Law, Subsection 3.1(c) hereof and the limitations of the Plan, the Plan will be administered by the Board and the Board has the sole and complete authority, in its discretion, to:
  - (i) grant Options to Eligible Persons;
  - (ii) determine the terms, limitations, restrictions and conditions upon such grants;
  - (iii) interpret and construe the terms and conditions of the Plan and the Options;
  - (iv) adopt, amend and rescind such administrative guidelines and other rules relating to the Plan as the Board may from time to time deem advisable; and

make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as the Board may deem necessary or advisable

The rules of the TSXV require that the Stock Option Plan be approved annually by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the shareholders will be asked at the Meeting to pass the following ordinary resolution:

**"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

- (1) the Stock Option Plan, in the form originally approved by the shareholders of Rojo Resources Ltd. (the "Corporation") at the Annual and Special Meeting held on December 10, 2010, is hereby ratified, confirmed and approved;
- (2) the Corporation is authorized to grant stock options pursuant and subject to the terms and conditions of the Plan entitling all of the option holders in aggregate to purchase up to such number of common shares of the Corporation as is equal to 10% of the number of common shares of the Corporation issued and outstanding on the applicable grant date; and
- (3) any director or officer of the Corporation is hereby authorized for, on behalf of, and in the name of the Corporation to do and perform or cause to be done or performed all such things, to take or cause to be taken all such actions, to execute and deliver or cause to be executed and delivered all such agreements, documents and instruments, contemplated by, necessary or desirable in connection with the Stock Option Plan and the foregoing resolutions, as may be required from time to time and contemplated and required in connection therewith, or as such director or officer in his or her discretion may consider necessary, advisable or appropriate in order to give effect to the intent and purposes of the foregoing resolutions, and the doing of such things, the taking of such actions and the execution of such agreements, documents and instruments shall be conclusive evidence that the same have been authorized and approved hereby."

An ordinary resolution is a resolution passed by a majority of greater than 50% of the votes cast by those shareholders, who being entitled to do so, vote in person or by proxy in respect of that resolution at the Meeting.

A complete copy of the Stock Option Plan will be available for inspection at the Meeting. The directors believe that the Stock Option Plan is in the Corporation's best interests and recommend that the shareholders approve the Stock Option Plan.

**The persons named in the Management Proxy intend to vote FOR the resolution ratifying, confirming and approving the Stock Option Plan in the absence of directions to the contrary from the Shareholders.**

#### STATEMENT OF EXECUTIVE COMPENSATION

For purposes of this Information Circular, "named executive officer" of the Corporation means an individual who, at any time during the year, was (each a "**Named Executive Officer**"):

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

#### **Compensation Discussion and Analysis**

In assessing the compensation of its executive officers, the Corporation does not have in place any formal objectives, criteria or analysis; instead, it relies mainly on Board discussion. Currently, any material commitments, inclusive of remuneration, are required to be pre-approved by the Board.

The Corporation's executive compensation program has three principal components: base salary, incentive bonus plan and stock options. Base salaries for all employees of the Corporation are established for each position through comparative salary surveys of similar type and size companies. Both individual and corporate performances are also taken into account. Incentive bonuses, in the form of cash payments, are designed to add a variable component of compensation based on corporate and individual performances for executive officers and employees. No bonuses were paid to executive officers or employees during the most recently completed financial year.

The Corporation has no other forms of compensation, although payments may be made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Corporation at competitive industry rates for work of a similar nature by reputable arm's length services providers.

## Option Based Awards

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Corporation to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation. The Corporation awards stock options to its executive officers based upon the recommendation of the Board, which recommendation is based upon the Board's review of a proposal from the CEO. Previous grants of incentive stock options are taken into account when considering new grants.

Implementation of a new incentive stock option plan and amendments to the existing stock option plan are the responsibility of the Board.

### Summary Compensation Table

The following table sets forth the compensation paid or awarded to the Named Executive Officers for the period ended July 31, 2018:

| Name and principal position    | Year <sup>(1)</sup> | Salary (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) |                           | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|--------------------------------|---------------------|-------------|-------------------------|--------------------------|---|---------------------------|--------------------|-----------------------------|-------------------------|
|                                |                     |             |                         |                          | Annual incentive plans                      | Long-term incentive plans |                    |                             |                         |
| Allen Morishita<br>Chairman(3) | 2018                | 42,000      | Nil                     | Nil                      | Nil   | Nil                       | Nil                | Nil                         | 42,000                  |
|                                | 2017                | 42,000      | Nil                     | Nil                      | Nil   | Nil                       | Nil                | Nil                         | 42,000                  |
|                                | 2016                | 42,000      | Nil                     | Nil                      | Nil   | Nil                       | Nil                | Nil                         | 42,000                  |
| Patricia Wilson(2)             | 2018                | 30,000      | Nil                     | Nil                      | Nil   | Nil                       | Nil                | Nil                         | 30,000                  |
|                                | 2017                | 30,000      | Nil                     | Nil                      | Nil   | Nil                       | Nil                | Nil                         | 30,000                  |
|                                | 2016                | 30,000      | Nil                     | Nil                      | Nil   | Nil                       | Nil                | Nil                         | 30,000                  |
|                                |                     |             |                         |                          |   |                           |                    |                             |                         |

#### Notes:

- (1) Financial years ended July 31, 2018, 2017 and 2016.
- (2) Patricia Wilson was appointed Corporate Secretary on May 31, 2010 and CFO on August 12, 2011.
- (3) Allen Morishita was appointed CEO May 7, 2015 and was appointed Chairman July 24, 2013

## Summary of Employment Contracts of each Named Executive Officer

The following describes the material terms and conditions of the employment contracts in effect for the financial year ended July 31, 2018. For a description of the termination provisions and change of control benefits payable by the company to each Named Executive Officer, see below under the heading "Termination and Change of Control Benefits".

Allen Morishita

Allen Morishita did not have an employment contract for the financial year ended July 31, 2018

Patricia Wilson

Patricia Wilson did not have an employment contract for the financial year ended July 31, 2018.

**Incentive Plan Awards**

***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth all awards outstanding for each of the Named Executive Officers as at July 31, 2018:

|                 | Option-Based Awards |   |     |     | Share-Based Awards |     |
|-----------------|---------------------|---|-----|-----|--------------------|-----|
|                 |                     |   |     |     |                    |     |
| Allen Morishita | 0                   | 0 | N/A | N/A | N/A                | N/A |
| Patricia Wilson | 0                   | 0 | N/A | N/A | N/A                | N/A |

***Incentive Plan Awards - Value Vested or Earned During the Year***

No benefits were paid, and no benefits are proposed to be paid to any of the Directors or Named Executive Officers under any pension or retirement plan.

**Director Compensation**

The following table sets forth all amounts of compensation provided to the Directors, other than Directors who are also Named Executive Officers, for the financial year ended July 31, 2018:

| Name | Fees earned (\$) | Share-based awards (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|------|------------------|-------------------------|--------------------------|---|--------------------|-----------------------------|------------|
| none |                  | Nil                     | Nil                      | Nil   | Nil                | Nil                         | Nil        |
|      |                  |                         |                          |   |                    |                             |            |

**Incentive Plan Awards**

***Outstanding Share-Based Awards and Option-Based Awards***

The following table sets forth the value of all incentive plan awards vested or earned for each of the Directors, other than Directors who are also Named Executive Officers, for the financial year ended July 31, 2018: Nil

| Option-Based Awards                                     |      |                            |                        | Share-Based Awards                             |  |  |
|---|------|----------------------------|------------------------|--|--|--|
| Number of securities underlying unexercised options (#) | Name | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share based awards that have not vested (\$) |
| Nil   |      |                            |                        |  |  |  |

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

The following table sets forth the value of all incentive plan awards vested or earned for each of the Directors, other than Directors who are also Named Executive Officers, for the financial year ended July 31, 2018: Nil

| Name | Option-based awards – Value vested during the year (\$) | Share-based awards – Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|------|---|--|--|
| N/A  |   |  |  |

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

The following table provides information as of July 31, 2018 with respect to compensation plans under which the Common Shares are authorized for issuance, aggregated as set out below:

| Plan Category   | Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities listed in first column) |
|---|--|---|---|
| Equity compensation plans approved by security holders  | Nil  | N/A   | 508,808   |
| Warrants  | Nil  | N/A   | N/A   |
| Equity compensation plans not approved by security holders <sup>(1)</sup> (Stock Option Plan) | Nil  | N/A   | Nil   |
| <b>Total</b>  | Nil  | Nil   | 508,808   |

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the Corporation's Directors or officers were indebted to the Corporation as at July 31, 2018 or at any time during 2017 or 2016.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No director or officer of the Corporation or its associates or, to the knowledge of such directors or officers, after reasonable inquiry, any person or company owning more than 10% of the Common Shares, has any material interest in any transaction since the commencement of the Corporation's most recently completed financial year which has materially affected or would materially affect the Corporation and its subsidiaries.

## CORPORATE GOVERNANCE PRACTICES

Pursuant to National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("NI 58-101"), the Corporation is required to disclose information relating to its corporate governance practice. The Corporation's "Statement of Corporate Governance Practices", approved by the Directors, is attached to this Information Circular as Appendix "A".

## AUDIT COMMITTEE

### Audit Committee's Charter

The Corporation has an audit committee (the "**Audit Committee**") for the purpose of assisting the directors in overseeing all material aspects of the Corporation's reporting, control and audit functions, except those specifically related to the responsibilities of another standing committee of the Board. The Audit Committee charter (the "**Charter**") is attached as Appendix "B" hereto.

The role of the Audit Committee includes a particular focus on the qualitative aspects of financial reporting to Shareholders and on the Corporation's processes for the management of business/financial risk and for compliance with significant applicable legal, ethical, and regulatory requirements. The Audit Committee is responsible for, among other things, the selection and oversight of the Corporation's independent accountant.

### Composition of Audit Committee

#### As at July 31, 2018

As at July 31, 2018, the Audit Committee was composed of two independent Directors ( John Adams and Mark Tommasi) who met the independence requirement set out in NI 58-101 and under National Instrument 52-110 - *Audit Committees* ("NI 52-110"). As at July 31, 2018 the Audit Committee was comprised of one of the Corporation's directors, namely, Allen Morishita.

As at July 31, 2018, all three members of the Audit Committee were "financially literate" within the meaning given to such term in the Charter and NI 52-110, and have the ability to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

### Relevant Education and Experience

In addition to each current member's general business experience, the education and experience of each Audit Committee member that is relevant to such member's responsibilities as a member of the Audit Committee are set forth below:

*Allen Morishita:* Mr. Morishita has more than 30 years experience in the securities industry as a Vice-President and investment advisor with, among others, Canaccord Genuity Corp. During such period, Mr. Morishita was required to review, analyse and understand financial statements of publicly listed companies, in order to make appropriate recommendations regarding investments in such companies as a result Mr. Morishita is considered to be "financially literate".

*John Adams :* Mr. Adams brings over 30 years of experience in the mining business to the Company. The son of the late Robert W. Adams, one of the founders of the US uranium industry, John managed the family owned company Energy Fuels Corporation, which developed and owned the largest coal mine in Colorado (4 million tons per year). John was also Chief Executive Officer of Energy Fuels Nuclear Inc., the largest producer of uranium in the US (5 million lbs. per year) during the 1980's and early 1990's. For over 10 years, Mr. Adams has been developing the Toroparu Gold Deposit in Guyana, South America. In addition, to his mining activities Mr. Adams has been active in real estate development, banking, and cattle production. As a result Mr. John Adams is considered to be "financially literate".

*Mark Tommasi:* Mr. Tommasi has over 20 years of experience in corporate development, equity, private equity and venture capital financing, IPO's and private placements, marketing, investor relations and board and committee activities. Mr. Tommasi has served as Senior officer, director, financier or consultant for 16 public and private companies (agriculture, technology, junior exploration, and oil and gas) in both the United States and Canada. As a result he is considered to be "financially literate"

### Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the Corporation's external auditors not been adopted by the Directors.

### Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on exemptions in relation to "*De Minimus Non-Audit Services*" or any exemption provided by Part 8 of NI 52-110.

### Pre-Approval Policies and Procedures

The Corporation has not adopted any specific policies in relation to the engagement of non-audit services.

### External Auditor Service Fees

- (a) *Audit Fees* – Kanester Johal, Chartered Accountants, billed the Corporation approximately \$15,000 from August 2017 to July 31, 2018 and \$15,000 from August 1, 2016 to July 31, 2017 for audit fees.

- (e) *Audit-Related Fees* - Kanester Johal, Chartered Accountants, billed the Corporation approximately \$2,700 from August 1, 2017 to July 31, 2018 and \$0 from August 2016 to July 31, 2017 for assurance and related services that are reasonably related to the performance of the audits or reviewing the Corporation's financial statements and are not included under "Audit Fees".
- (f) *Tax Fees* – Kanester Johal, Chartered Accountants, billed the Corporation approximately \$1,500 from August 1, 2017 to July 31, 2018 and \$1,500 from August 1, 2016 to July 31, 2017, for services related to tax compliance, tax advice and tax planning.
- (g) *All Other Fees* – Kanester Johal, Chartered Accountants, billed the Corporation approximately \$0 from August 1, 2017 to July 31, 2018 and \$0 from August 1, 2016 to July 31, 2017, for services other than those reported above.

### Exemption

The Corporation is relying upon the exemption in section 6.1 of NI 52-110.

### **OTHER BUSINESS**

Management and the Directors are not aware of any amendments, variations or other matters intended to come before the Meeting other than those items of business set forth in the attached notice of Meeting. However, if any such amendment, variation or other matter properly comes before the Meeting, it is the intention of the persons named in the Management Proxy to vote on such other business in accordance with his judgment.

### **ADDITIONAL INFORMATION**

Financial information regarding the Corporation is provided in the Corporation's consolidated audited financial statements for the period ended July 31, 2018 and the accompanying management's discussion and analysis.

Written requests for a copy of the above documents should be directed to the CFO of

Rojo Resources Ltd., 1746 MacDonald Street, Vancouver V6K 3X8.

The name of the Corporation's auditor for the period ended July 31, 2018 is Kanester Johal, Chartered Accountants.

Additional information concerning the Corporation is available online at [www.sedar.com](http://www.sedar.com).

### **GENERAL**

The Directors have approved the contents of this Information Circular and its sending to the Shareholders, the auditors of the Corporation and to appropriate governmental regulatory agencies.

**DATED** the 05th day of December, 2018.

By Order of the Board of Directors

(Signed) Allen Morishita  
Chief Executive Officer and Director

## APPENDIX “A”

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

A summary of the Corporation’s corporate governance initiatives in relation to the new guidelines for effective corporate governance for venture issuers pursuant to NI 58-101 and National Policy 58-201 - *Corporate Governance Guidelines* is set out below.

#### Independence of Directors for the Purpose of NI 58-101

The Board determined that two out of four of the Directors were independent for the purpose of NI 58-101. The independent Directors for the financial year ended July 31, 2016 John Adams and Mark Tomassi.

The Board determined that two of four of the Directors were not considered independent for the purpose of NI 58-101. The non-independent Directors for fiscal 2016, were Allen Morishita and Patricia Wilson, by virtue of being an executive officer of the Corporation

#### Other Directorships

In addition to serving as a Director, the following Directors are also directors of the reporting issuers or equivalent as set out beside such Directors name:

- |    |                 |   |
|----|-----------------|---|
| 1. | Allen Morishita | None  |
| 2. | Patricia Wilson | Taku Gold Corp.                                 |
| 3. | John Adams      | Saltspring Resources Ltd.                       |
| 4. | Mark Tommasi    | Strategic Resources Inc.<br>Zadar Ventures Ltd. |

#### Orientation and Continuing Education

The Board is responsible for the orientation and education of new recruits to the Board and it has adopted an education and orientation program which ensures that all new Directors will receive an orientation binder consisting of, among other things, all Directors’ Committee Mandates, copies of the Corporation’s Disclosure Policy and a copy of the Corporation’s other policies.

Prior to joining the Board, each new Director will meet with the Chairman, the Chief Executive Officer and the Chief Financial Officer of the Corporation. Each such officer shall be responsible for outlining the business and prospects of the Corporation, both positive and negative, with a view to ensuring that the new Director is properly informed to commence his or her duties as a Director. Each new Director will also be given the opportunity to meet with the auditors and counsel to the Corporation. As part of the annual board assessment process the Board determines whether any additional education and training is required for Directors.

#### Code of Business Ethics

The Directors have also adopted a Code of Business Conduct (the “**Code**”) applicable to all employees and officers of the Corporation and all Directors to highlight key issues and identify resources

available to them in order to assist them in reaching appropriate decisions. A copy of the Code may be obtained on written request addressed to the Chief Executive Officer of the Corporation. The Board monitors compliance with the Code and Management provides an annual report to the Board regarding issues, if any, arising under the Code.

#### Nomination of Directors

The Board is responsible for, among other things, identifying suitable candidates to be recommended for election to the Board by Shareholders or appointment by the Directors, subject to the limits in the Corporation's articles and the *Canada Business Corporations Act*. One of the objectives of the Board with respect to the nomination is to maintain the composition of the Directors in a way that provides the best mix of skills and experience to guide the long-term strategy and ongoing business operations of the Corporation.

The Board is to conduct an annual review and assessment of the performance of the Chairman and Chief Executive Officer and the other senior executive officers of the Corporation.

The Board is responsible for regularly reviewing and recommended for the financial year ended July 31, 2015 succession plans for the senior executives. The Board also reviews and monitors the executive development programs of the Corporation and the long-range plans and personnel policies for recruiting, developing and motivating executives of the Corporation. The Board has reviewed and approved the qualifications of each of the Board nominees standing for election.

#### Chief Executive Officer and Director Compensation

The Board is responsible for conducting an annual review of the performance of the Corporation and the Chief Executive Officer as measured against objectives established in the prior year by the Board and the Chief Executive Officer and approved by the Board. The evaluation is to be used by the Board in its deliberations concerning the Chief Executive Officer's annual compensation. The evaluation of performance against objectives forms part of the determination of the entire compensation of senior employees. The Board is also responsible for reviewing the compensation of the Directors on an annual basis, taking into account such matters as time commitment, responsibility and compensation provided by comparable organizations.

#### Assessments

The Board is responsible to make an annual assessment of the overall performance of the Directors as a group and to report its findings to the full Board. A questionnaire has been drafted to be utilized as part of this process. The assessment examines the effectiveness of the Directors as a whole and specifically reviews areas that the Directors and/or Management believe could be improved to ensure the continued effectiveness of the Directors in the execution of their responsibilities.

## APPENDIX “B”

### **AUDIT COMMITTEE CHARTER ROJO RESOURCES LTD. (the “Corporation”)**

#### **(Implemented pursuant to National Instrument 52-110 (the “Instrument”))**

The current version of the Instrument, which relates to the composition and function of audit committees, was implemented for British Columbia reporting issuers effective March 17, 2008, and, accordingly, applies to every reporting issuer in British Columbia, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors.

This audit committee charter has been adopted by the board of directors of the Corporation (the “**Board**”) in order to comply with the Instrument and to define the role of the Corporation’s audit committee (the “**Committee**”) in relation to the oversight of the financial reporting processes of the Corporation. Nothing in this audit committee charter is intended to restrict the ability of the board of directors or the audit committee of the Corporation to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

The role of the Committee is to:

- provide oversight of the Corporation’s financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Corporation, its subsidiaries and associated companies;
- helping directors meet their responsibilities, facilitating better communication between directors and the external auditor;
- enhancing the independence of the external auditor;
- increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussion among directors, management and the external auditor;

Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Corporation’s external auditor is ultimately accountable to the Board and the Committee as representatives of the Corporation’s shareholders.

#### **I. DUTIES AND RESPONSIBILITIES**

##### **External Auditor**

1. To recommend to the Board, for shareholder approval, an external auditor to examine the Corporation’s accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Corporation.

2. To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting.
3. To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
4. To pre-approve any non-audit services to be provided to the Corporation by the external auditor and the fees for those services.
5. To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
6. To review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Corporation on any aspect of its certification of the Corporation's financial statements:
  - (a) no member of the audit team that is auditing a business of the Corporation can be hired into that business or into a position to which that business reports for a period of three years after the audit;
  - (b) no former partner or employee of the external auditor may be made an officer of the Corporation or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
  - (c) the Chief Financial Officer of the Corporation (the "CFO") must approve all office hires from the external auditor; and
  - (d) the CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
7. To ensure that the head audit partner assigned by the external auditor to the Corporation, as well as the audit partner charged with reviewing the audit of the Corporation, are changed at least every five years.
8. To review, at least annually, the relationships between the Corporation and the external auditor in order to establish the independence of the external auditor.

### **Financial Information and Reporting**

9. To review the Corporation's annual audited financial statements with the Chief Executive Officer of the Corporation (the "CEO") and CFO and then with the full Board. The Committee will review the interim financial statements with the CEO and CFO.
10. To review and discuss with management and the external auditor, as appropriate:
  - (a) the annual audited financial statements and the interim financial statements, including the

accompanying management discussion and analysis; and

- (b) earnings guidance and other releases containing information taken from the Corporation's financial statements prior to their release.
11. To review the quality and not just the acceptability of the Corporation's financial reporting and accounting standards and principle and any proposed material changes to them or their application.
  12. To review with the CFO any earnings guidance to be issued by the Corporation and any news release containing financial information taken from the Corporation's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

### **Oversight**

13. To review the internal audit staff functions, including:
  - (a) the purpose, authority and organizational reporting lines;
  - (b) the annual audit plan, budget and staffing; and
  - (c) the appointment and compensation of the controller, if any.
14. To review, with the CFO and others, as appropriate, the Corporation's internal system of audit controls and the results of internal audits.
15. To review and monitor the Corporation's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
16. To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive session and review issues and matters of concern respecting audits and financial reporting.
17. In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Corporation's disclosure and internal controls, including any material deficiencies or changes in those controls.

## **II. MEMBERSHIP**

The Committee shall consist of two or more members of the Board, each of whom the Board has determined has no material relationship with the Corporation and is otherwise "unrelated" or "independent" as required under applicable securities rules or applicable stock exchange rules.

Any member may be removed from office or replaced at any time by the Board and shall cease to be a

member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Corporation or until the member ceases to be a director, resigns or is replaced, whichever first occurs.

The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.

All members of the Committee must be "financially literate" (i.e., have the ability to read and understand a set of financial statements such as balance sheet, an income statement and a cash flow statement).

### **III. PROCEDURES**

1. The Board shall appoint one of the directors elected to the Committee as the Chairperson of the Committee (the "Chairperson"). In the absence of the appointed Chairperson from any meeting of the Committee, the members shall elect a Chairperson from those in attendance to act as Chairperson of the meeting.
2. The Chairperson will appoint a secretary (the "Secretary") who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chairperson.
3. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.
4. The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
5. The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the Articles of the Corporation or otherwise determined by resolution of the Board.
6. The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants as it deems appropriate.
7. The Committee has the authority to communicate directly with the internal and external auditors.

### **IV. REPORTS**

The Committee shall produce the following reports and provide them to the Board:

1. an annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed necessary or desirable by the Committee. The performance evaluation by the Committee shall be

conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chairperson or any other member of the Committee designated by the Committee to make this report.

2. a summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting