



**Notice of Annual General Meeting
and
Information Circular**

September 13, 2017

ELCORA ADVANCED MATERIALS CORP.

111 Ahmadi Crescent
Bedford, Nova Scotia
B4A 4E5

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the Shareholders of Elcora Advanced Materials Corp. (the “**Corporation**”) will be held at Suite 10, 275 Rocky Lake Drive, Bedford, Nova Scotia, on Thursday, October 26, 2017 at 10:00 a.m. (Halifax, Nova Scotia time) for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended on March 31, 2017;
2. fix the number of directors at three (3);
3. elect directors for the ensuing year;
4. appoint PricewaterhouseCoopers LLP, Chartered Accountants, as auditor of the Corporation for the ensuing year and authorize the directors to determine the remuneration to be paid to the auditor;
5. confirm the Corporation’s stock option plan, as required annually by the policies of the TSX Venture Exchange;
6. transact such other business as may properly be put before the Meeting.

All Shareholders are entitled to attend and vote at the Meeting in person or by proxy. The Board of Directors (the “**Board**”) requests that all shareholders (the “**Shareholders**”) who will not be attending the Meeting in person read, date and sign the accompanying proxy and deliver it to Computershare Investor Services Inc. (the “**Computershare**”). If a Shareholder does not deliver a proxy to Computershare, Attention: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1, by **10:00 a.m.** (Halifax, Nova Scotia time) on **Tuesday, October 24, 2017** (or prior to 48 hours excluding Saturdays, Sundays and holidays, before any adjournment of the meeting at which the proxy is to be used) then the shareholder will not be entitled to vote at the Meeting by proxy. Only Shareholders of record at the close of business on **Wednesday, September 13, 2017** will be entitled to vote at the Meeting.

An information circular and a form of proxy accompanying this notice.

DATED at Halifax, Nova Scotia, the 13th day of **September, 2017**.

ON BEHALF OF THE BOARD

Signed: “*Troy Grant*”

Troy Grant,
President, Chief Executive Officer

ELCORA ADVANCED MATERIALS CORP.

111 Ahmadi Crescent
Bedford, Nova Scotia
B4A 4E5

INFORMATION CIRCULAR

(as at September 13, 2017 except as otherwise indicated)

This information circular (the “**Circular**”) is provided in connection with the solicitation of proxies by Management of Elcora Advanced Materials Corp. (the “**Corporation**”). The form of proxy which accompanies this Circular (the “**Proxy**”) is for use at the annual general meeting of the Shareholders of the Corporation to be held on **Thursday, October 26, 2017** (the “**Meeting**”), at the time and place set out in the accompanying notice of Meeting (the “**Notice of Meeting**”). The Corporation will bear the cost of this solicitation. The solicitation will be made by mail, but may also be made by telephone.

PART 1 – APPOINTMENT AND REVOCATION OF PROXY

The persons named in the Proxy are directors and/or officers of the Corporation. **A registered shareholder who wishes to appoint some other person to serve as their representative at the Meeting may do so by striking out the printed names and inserting the desired person’s name in the blank space provided.** The completed Proxy should be delivered to Computershare Investor Services Inc. (“**Computershare**”) by **10:00 a.m.** (Halifax, Nova Scotia time) on **Tuesday, October 24, 2017**, or prior to 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment of the Meeting at which the Proxy is to be used.

The Proxy may be revoked by:

- (a) signing a proxy with a later date and delivering it at the time and place noted above;
- (b) signing and dating a written notice of revocation and delivering it to Computershare, or by transmitting a revocation by telephonic or electronic means, to Computershare, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the Proxy is to be used, or delivering a written notice of revocation and delivering it to the Chairman of the Meeting on the day of the Meeting or adjournment of it; or
- (c) attending the Meeting or any adjournment of the Meeting and registering with the scrutineer as a shareholder present in person.

Provisions Relating to Voting of Proxies

The shares represented by Proxy in the form provided to Shareholders will be voted or withheld from voting by the designated holder in accordance with the direction of the registered shareholder appointing him. If there is no direction by the registered shareholder, those shares will be voted for all proposals set out in the Proxy and for the election of directors and the appointment of the auditors as set out in this Circular. The Proxy gives the person named in it the discretion to vote as such person sees fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Corporation (the “Management”) knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold common shares in their own name. Shareholders who hold their common shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their common shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of common shares will be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then those common shares will, in all likelihood, not be registered in the shareholder’s name. Such common shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). In the United States, the vast majority of such common shares are registered under the name of Cede & Co., the registration name for The Depository Trust Corporation, which acts as nominee for many United States brokerage firms. Common shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted or withheld at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. The various brokers and other 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. The form of instrument of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the instrument of proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs 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 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 VIFs must be returned to Broadridge (or instructions respecting the voting of common shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted. If you have any questions respecting the voting of common shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

The Notice of Meeting, Circular, Proxy and VIF, as applicable, are being provided to both registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities which they own (“**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 directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials directly (not via Broadridge) to such NOBOs. If you are a Beneficial Shareholder and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Pursuant to the provisions of NI 54-101, the Corporation is providing the Notice of Meeting, Circular and Proxy or VIF, as applicable, to both registered owners of the securities and non-registered owners of the securities. If you are a non-registered owner, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding common shares 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 VIF. As a result, if you are a non-registered owner of the securities, you can expect to receive a scannable VIF from Computershare. Please complete and return the VIF to Computershare in the envelope provided or by facsimile. In addition, telephone voting and internet voting instructions can be found on the VIF. Computershare will tabulate the results of the VIFs received from the Corporation's NOBOs and will provide appropriate instructions at the Meeting with respect to the common shares represented by the VIFs they receive.

The Corporation's OBOs can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Corporation does not intend to pay for intermediaries to deliver the Notice of Meeting, Circular and VIF to OBOs and accordingly, if the OBO's intermediary does not assume the costs of delivery of those documents in the event that the OBO wishes to receive them, the OBO may not receive the documentation.

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 broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Corporation or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as the NOBO's proxyholder. If such a request is received, the Corporation or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Corporation or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver, British Columbia time) on the day which is at least three business days prior to the Meeting. **A Beneficial Shareholder who wishes to attend the Meeting and to vote their common shares as proxyholder for the registered shareholder, should enter their own name in the blank space on the VIF or such other document in writing that requests that the NOBO or a nominee of the NOBO be appointed as proxyholder and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

Additionally, NI 54-101 allows a Beneficial Shareholder who is a NOBO to submit to the Corporation or an applicable intermediary any document in writing that requests that the NOBO or a nominee of the NOBO be appointed as the NOBO's proxyholder. If such a request is received, the Corporation or an intermediary, as applicable, must arrange, without expenses to the NOBO, to appoint such NOBO or its nominee as a proxyholder and to deposit that proxy within the time specified in this Circular, provided that the Corporation or the intermediary receives such written instructions from the NOBO at least one business day prior to the time by which proxies are to be submitted at the Meeting, with the result that such a written request must be received by 10:00 a.m. (Vancouver time) on the day which is at least three business days prior to the Meeting.

All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered Shareholders of the Corporation as set forth on the list of registered Shareholders of the Corporation as maintained by the registrar and transfer agent of the Corporation, Computershare, unless specifically stated otherwise.

PART 2 – VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

As at the date of the accompanying Notice of Meeting, the Corporation's authorized capital consists of an unlimited number of common shares of which **82,783,127** common shares are issued and outstanding. All common shares in the authorised share structure of the Corporation carry the right to one vote.

Shareholders registered as at **September 13, 2017**, are entitled to attend and vote at the Meeting. Shareholders who wish to be represented by proxy at the Meeting must, to entitle the person appointed by the Proxy to attend and vote, deliver their Proxies at the place and within the time set forth in the notes to the Proxy.

To the knowledge of the directors and executive officers of the Corporation, as of the date of this Circular, no person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the issued and outstanding common shares of the Corporation.

PART 3 – BUSINESS OF THE MEETING

Financial Statements

The audited financial statements of the Corporation for the year ended March 31, 2017, together with the auditor's report on those statements and Management Discussion and Analysis, will be presented to the Shareholders at the Meeting.

Election of Directors

The directors of the Corporation are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Corporation to serve until their successors are elected or appointed. In the absence of instructions to the contrary, Proxies given pursuant to the solicitation by Management will be voted for the nominees listed in this Circular. Management does not contemplate that any of the nominees will be unable to serve as a director. Shareholders will be asked at the Meeting to pass an ordinary resolution to set the number of directors for the ensuing year at three.

The following table on the next page sets out the names of the nominees for election as directors, the offices they hold within the Corporation, their occupations, the length of time they have served as directors of the Corporation, and the number of common shares of the Corporation which each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Circular.

Name, province or state and country of residence and position, if any, held in the Corporation	Principal occupation during the past five years	Served as director of the Corporation since	Number of common shares of the Corporation beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾	Number of convertible securities of the Corporation beneficially owned, directly or indirectly, or controlled or directed at present ⁽¹⁾
Troy Grant⁽²⁾ Nova Scotia, Canada <i>President, Chief Executive Officer, and Director</i>	Businessman	June 2011	3,891,533 Common Shares	2,115,000 Options 1,891,533 Warrants
Johannes (Theo) van der Linde⁽²⁾ British Columbia, Canada <i>Chief Financial Officer and Director</i>	Chartered Accountant	October 2012	482,143 Common Shares	1,010,000 Options 273,810 Warrants
Denis Choquette⁽²⁾ Quebec, Canada <i>Director</i>	President, GTR Capital	April 2015	6,043,942 ⁽³⁾ Common Shares	1,000,000 Options 6,235,668 Warrants

Notes:

- (1) The information as to securities beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the Audit Committee.
- (3) Includes shares held by Mr. Choquette's immediate family members and affiliated entities.

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

Appointment of Auditor

At the Meeting, Shareholders will be asked to pass a resolution appointing PricewaterhouseCoopers LLP, Chartered Accountants of Summit Place, 1601 Lower Water Street, Suite 400, Halifax, Nova Scotia, Canada B3J 3P6, as the auditor of the Corporation, to hold office until the next annual meeting of Shareholders and to authorize the Board to fix the remuneration to be paid thereto. PricewaterhouseCoopers LLP, Chartered Accountants was appointed as the Corporation's auditor effective June 6, 2011.

The Corporation's management recommends that the Shareholders vote in favour of the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants, as the Corporation's auditor for the ensuing year and grant the Board of Directors the authority to determine the remuneration to be paid to the auditor. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the re-appointment of PricewaterhouseCoopers LLP, Chartered Accountants, to act as the Corporation's auditor until the close of its next annual general meeting and also intend to vote FOR the proposed resolution to authorize the Board of**

Directors to fix the remuneration to be paid to the auditor.

Approval of the 2017 Stock Option Incentive Plan

At the Meeting, shareholders will be asked to consider and, if thought advisable, to pass, by way of an ordinary resolution, approval of the Corporation’s Stock Option Plan (the “**2017 Plan**”). See “Approval Requirements” below.

Background

The Board of Directors of the Corporation has, by resolution, adopted the 2017 Stock Option Incentive Plan (the “**2017 Plan**”) to replace the existing Stock Option Incentive Plan (the “**2016 Plan**”) and proposes to implement it upon receipt of approval of the 2017 Plan by the shareholders and the TSX Venture Exchange (the “**Exchange**”). The 2017 Plan is substantively similar to the 2016 Plan. The number of common shares which may be issued pursuant to options previously granted and those to be granted under the 2016 Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant.

Upon the 2017 Plan receiving shareholder and Exchange approval, it will be implemented and all of the options presently governed by the 2016 Plan will thereafter be governed by the 2017 Plan.

As at the date of this Information Circular, 5,702,500 options are outstanding. During the financial year ended March 31, 2017, no options were granted, 300,000 were forfeited and no options were cancelled, expired or exercised. The following table summarizes the details of option grants outstanding at the date of this Information Circular. Of the 5,702,500 options outstanding, 4,120,000 options are held by the Corporation’s directors and senior officers.

Exercise prices	Outstanding options			Exercisable options	
	Number of options outstanding #	Weighted average remaining term (years)	Weighted average exercise price \$	Number of options exercisable #	Weighted average exercise price \$
\$0.01 - \$0.10	2,882,500	3.98	0.10	2,882,500	0.10
\$0.11 - \$0.20	320,000	2.90	0.16	320,000	0.16
\$0.21 - \$0.30	2,500,000	4.17	0.21	2,500,000	0.21
	5,702,500	4.00	0.15	5,702,500	0.15

See also Part 7 – Other Information - Securities Authorized for Issuance Under Equity Compensation Plans.

Summary of the 2017 Plan

The Stock Option Plan has been prepared by the Corporation in accordance with the policies of the TSX Venture Exchange (the “**Exchange**”) and is in the form of a ‘rolling’ stock option plan reserving for issuance upon the exercise of options granted pursuant to the Stock Option Plan a maximum of 10% of the issued and outstanding shares of the Corporation at any time, less any shares required to be reserved with respect to options granted by the Corporation prior to the implementation of the Stock Option Plan. The Stock Option Plan is administered by the Board of Directors of the Corporation. Subject to the provisions of the

Stock Option Plan, the directors in their sole discretion will determine all options to be granted pursuant to the Stock Option Plan, the exercise price therefore and any special terms or vesting provisions applicable thereto. The directors will comply with all Exchange and other regulatory requirements in granting options and otherwise

administering the Stock Option Plan. A summary of some of the additional provisions of the Stock Option Plan are as follows:

- (i) options granted to insiders of the Corporation as a total in any twelve-month period shall not exceed 10% of the issued and outstanding shares of the Corporation;
- (ii) options granted to any one person as a total in any twelve-month period shall not exceed 5% of the issued and outstanding shares of the Corporation;
- (iii) options granted to any one Consultant to the Corporation as a total in any twelve-month period shall not exceed 2% of the issued and outstanding shares of the Corporation;
- (iv) options granted to all employees, consultants and their associates engaged in investor relations activities for the Corporation in aggregate in any twelve-month period shall not exceed 2% of the issued and outstanding shares of the Corporation;
- (v) options granted shall be non-assignable and not transferable and shall not have a term in excess of ten years;
- (vi) the exercise price of options granted shall not be less than the closing price of the Corporation's shares on the last trading day less any discount permitted by the Exchange, but, in any event, not less than \$0.10 per share;
- (vii) all options granted shall be evidenced by written option agreements; and
- (viii) any amendment to reduce the exercise price of options granted to insiders of the Corporation shall be subject to approval of the disinterested shareholders of the Corporation, the majority vote of the Shareholders other than the insiders of the Corporation.

Pursuant to the policies of the Exchange, the shares underlying any options granted will be restricted from trading for a period of four months from the date of grant of the option.

A full copy of the Plan will be available for review at the Meeting.

Accordingly, at the Meeting, the Shareholders will be asked to pass the following resolution:

“IT IS RESOLVED, as an ordinary resolution that the 2017 Stock Option Incentive Plan is hereby approved and confirmed and the directors and officers of the Corporation be authorized and directed to perform such acts and deeds and things and execute all such documents, agreements and other writings as may be required to give effect to the true intent of this resolution and, notwithstanding the foregoing, the directors of the Corporation are hereby authorized, without further approval of or notice to the shareholders of the Corporation, to revoke this ordinary resolution at any time prior to giving effect to the new Stock Option Plan”.

The Corporation's management believes that the approval of the new Stock Option Plan is in the best interest of the Corporation and recommends that Shareholders of the Corporation vote in favour of approving the new Stock Option Plan. **Unless you give instructions otherwise, the Management Proxyholders intend to vote FOR the Confirming Stock Option Plan Resolution.**

General Matters

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the person named in the Proxy intends to vote on any poll, in accordance with his or her best judgement, exercising discretionary authority with respect to amendments or

variations of matters set forth in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment of the Meeting.

PART 4 – EXECUTIVE COMPENSATION

General

For the purpose of this Statement of Executive Compensation:

“Corporation” means Elcora Advanced Materials Corp.;

“compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Corporation or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Corporation or any of its subsidiaries;

“external management Corporation” includes a subsidiary, affiliate or associate of the external management Corporation;

“NEO” or **“named executive officer”** means each of the following individuals:

- (a) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief executive officer (**“CEO”**), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Corporation, during any part of the most recently completed financial year, served as chief financial officer (**“CFO”**), including an individual performing functions similar to a CFO;
- (c) in respect of the Corporation and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was 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 not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of that financial year;

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

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

DIRECTOR AND NEO COMPENSATION

Director and NEO compensation, excluding options and compensation securities

The following table sets forth all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation or its subsidiary, to each NEO and director of the Corporation, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise

provided to the NEO or a director of the Corporation for services provided and for services to be provided, directly or indirectly, to the Corporation or its subsidiary.

Table of compensation excluding compensation securities							
Name and position	Year Ended March 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Troy Grant <i>President, CEO & Director</i>	2017	250,000 ⁽¹⁾	Nil	Nil	Nil	Nil	250,000
	2016	250,000 ⁽²⁾	Nil	Nil	Nil	Nil	250,000
Theo van der Linde <i>CFO & Director</i>	2017	150,000 ⁽³⁾	Nil	Nil	Nil	Nil	150,000
	2016	90,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	90,000
Denis Choquette <i>Director</i>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Represents consulting fees paid to 3063625 NS Ltd., a company wholly owned by Mr. Grant and includes \$52,086 in accrued but unpaid fees.
- (2) Represents consulting fees paid to 3063625 NS Ltd., a company wholly owned by Mr. Grant and includes \$77,287 in accrued but unpaid fees.
- (3) Represents consulting fees paid to Executive Management Solutions Ltd., a Corporation wholly owned by Theo van der Linde and includes \$18,500 in accrued but unpaid fees.
- (4) Represents consulting fees paid to Executive Management Solutions Ltd., a company wholly owned by Mr. van der Linde and includes \$17,000 in accrued but unpaid fees.

External Management Corporation

Please refer to the section – ***Employment, Consulting and Management Agreements*** which follows herein.

Stock Options and Other Compensation Securities

The following table sets out all compensation securities granted or issued to each director and NEO by the Corporation or any subsidiary thereof in the year ended March 31, 2017 for services provided, or to be provided directly or indirectly, to the Corporation or any subsidiary thereof:

Compensation Securities							
Name and position	Type of compensation on security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾⁽²⁾	Date of issue or grant	Issue, conversion or exercise price (\$) ⁽¹⁾	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at March 31, 2017 (\$)	Expiry date
Troy Grant ⁽²⁾ <i>President, CEO & Director</i>	Stock options	0	N/A	N/A	N/A	N/A	N/A
Theo van der Linde ⁽³⁾ <i>CFO & Director</i>	Stock Options	0	N/A	N/A	N/A	N/A	N/A
Denis Choquette ⁽³⁾ <i>Director</i>	Stock Options	0	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Troy Grant has been a Director since June, 2011.
 (2) Theo van der Linde has been a Director since October, 2012.
 (3) Denis Choquette has been a Director since April, 2015.

Exercise of Compensation Securities by Directors and NEOs

There were no compensation securities exercised by a director or NEO during the financial year ended March 31, 2017.

Stock Option Plans and Other Incentive Plans

The Stock Option Plan has been prepared by the Corporation in accordance with the policies of the TSX Venture Exchange (the “**Exchange**”) and is in the form of a ‘rolling’ stock option plan reserving for issuance upon the exercise of options granted pursuant to the Stock Option Plan a maximum of 10% of the issued and outstanding shares of the Corporation at any time, less any shares required to be reserved with respect to options granted by the Corporation prior to the implementation of the Stock Option Plan. The Stock Option Plan is administered by the Board of Directors of the Corporation.

The Plan is administered by the Board of Directors and enables the Corporation and provides for grants of options to directors, senior officers, employees, consultants, consultant Corporation or management Corporation employees of the Corporation at the discretion of the Board. The term of any options granted under the Plan is fixed by the Board of Directors and may not exceed five (5) years. The exercise price of options granted under the Plan will be determined by the Board of Directors, but the exercise price shall not be less than the discounted market price on the grant date. Any options granted pursuant to the Plan will terminate ninety (90) days (thirty (30) days if the Optionee was engaged in Investor Relations Activities) after the option holder ceasing to act as a directors, senior officers, employees, consultants, consultant Corporation or management Corporation employees of the Corporation or any of its affiliates, unless such cessation is on account of death, disability or termination of employment with cause). If such cessation is on account of disability or death, the options terminate on the first anniversary of such

cessation, and if it is on account of termination of employment with cause, the options terminate immediately. The Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Corporation's shares. The directors of the Corporation may, at its discretion at the time of any grant, impose a schedule over which period of time the option will vest and become exercisable by the optionee.

Subject to the approval of any stock exchanges or any other regulatory body having authority over the Corporation or the Plan, the Board may from time to time suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or any of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuation shall in any manner adversely affect any option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or options granted thereunder will be subject to the approval of the Shareholders.

Employment, consulting and management agreements

3063625 NS Ltd. (the "**3063625**") is a private Company wholly-owned by Troy Grant, President and CEO of the Corporation. 3063625 provides consulting services for the Corporation.

The Corporation entered into an employment agreement with Troy Grant effective April 1, 2015, (the "Grant Agreement") with regards to his employment as the President and Chief Executive Officer of the Corporation. The agreement is for an indefinite term, unless earlier terminated, and is reviewed and approved annually by the Board. Pursuant to the Grant Agreement, the Corporation has agreed to pay Mr. Grant an annual salary of \$250,000 and Mr. Grant is eligible to receive an annual bonus and / or such other monetary incentive programs as may be established by the Corporation from time to time and at the discretion of the Board

Pursuant to the agreement, 3063625 is entitled to three months' notice as well as equivalent of 2 times EMSL's prorated annual fee as well as vesting of all common stock, options and cash bonus in the event of termination without cause. In the event that 3063625 resigns for "Good Cause" following a "Change of Control" (as those terms are defined in the applicable consulting agreement), they will be entitled to two times the annual pro-rated fee paid as well as vesting of all common stock, options and cash bonuses.

Executive Management Solutions Limited (the "**EMSL**") is a private Company wholly-owned by Theo van der Linde, Chief Financial Officer and Corporate Secretary of the Corporation. EMSL provides management consulting services for the Corporation.

The Corporation entered into an employment agreement with EMSL and Theo van der Linde effective April 1, 2016 (the "**van der Linde Agreement**") with regards to his employment as the Chief Financial Officer and Corporate Secretary of the Corporation. The agreement is for an indefinite term, unless earlier terminated, and is reviewed and approved annually by the Board. Pursuant to the van der Linde Agreement, the Corporation has agreed to pay Mr. van der Linde an annual salary of \$150,000 and Mr. van der Linde is eligible to receive an annual bonus and /or such other monetary incentive programs as may be established by the Corporation from time to time and at the discretion of the Board.

Pursuant to the agreement, EMSL is entitled to three months' notice as well as equivalent of 2 times EMSL's prorated annual fee as well as vesting of all common stock, options and cash bonus in the event of termination without cause. .

In the event that EMSL resigns for "Good Cause" following a "Change of Control" (as those terms are defined in the applicable consulting agreement), EMSL will be entitled to two times the annual pro-rated fee paid as well as vesting of all common stock, options and cash bonuses.

The table below sets out the estimated incremental payments, payables and benefits due to each of the Named Executive Officers on termination without cause or on termination on a change of control assuming termination as of March 31, 2017.

Name	Termination Without Cause (other than in connection with a Change of Control)	Resignation for Good Reason Following a Change of Control
Troy Grant President and CEO	\$500,000 ⁽¹⁾	\$500,000 ⁽²⁾
Theo van der Linde CFO	\$300,000 ⁽³⁾	\$300,000 ⁽⁴⁾

Notes:

- (1) Represents two year' fees based on Mr. Grant's 2017 annual fees of \$250,000. Figures are rounded.
- (2) Represents two years' fees based on Mr. Grant's 2017 annual fees of \$250,000. Figures are rounded.
- (3) Represents two years' fees based on Mr. van der Linde's 2017 annual fees of \$150,000. Figures are rounded.
- (4) Represents two years' fees based on Mr. van der Linde's 2017 annual fees of \$150,000. Figures are rounded.

Except as disclosed above, the Corporation and its subsidiaries have no other compensatory plan, contract or arrangement where a NEO is entitled to receive more than \$50,000 (including periodic payments or instalments) to compensate such executive officer in the event of resignation, retirement or other termination of the NEO's employment with the Corporation or its subsidiaries, a change of control of the Corporation or its subsidiaries, or a change in responsibilities of the NEO following a change in control.

Oversight and description of director and named executive officer compensation

The Board of Directors (the "**Board**") compensation program is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, a NEO's compensation is comprised of contractor payments and stock option grants.

The objectives and reasons for this system of compensation are generally to allow the Corporation to remain competitive compared to its peers in attracting and retaining experienced personnel. All salaries and/or consulting fees are to be set on a basis of a review and comparison of compensation paid to executives at similar companies.

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

The Corporation's NEOs and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Pension disclosure

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

PART 5 – AUDIT COMMITTEE

The Corporation is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation.

Audit Committee Charter

The text of the audit committee's charter is attached as **Schedule "A"** to this Circular.

Composition of Audit Committee and Independence

The Corporation's current Audit Committee consists of Troy Grant, Denis Choquette and Theo van der Linde and does not presently comply with the foregoing requirements.

National Instrument 52-110 *Audit Committees*, ("**NI 52-110**") provides that a member of an audit committee is "independent" if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Corporation's Board, reasonably interfere with the exercise of the member's independent judgment. Of the Corporation's current audit committee members, Denis Choquette is "independent" within the meaning of NI 52-110. Troy Grant is not considered "independent" as he is the President and CEO of the Corporation. Theo van der Linde is not "independent" as he is the Chief Financial Officer of the Corporation.

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. All of the members of the Corporation's audit committee are financially literate as that term is defined. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

Relevant Education and Experience

The relevant education and/or experience of each member of the Audit Committee is as follows:

Troy Grant

Mr. Troy Grant is a graduate of St. Francis Xavier University with a Bachelor of Business and has spent most of his working career in the brokerage business. As a result of his business and public Corporation experience Mr. Grant has become familiar with public Corporation financial statements and the accounting principles used in reading and preparing financial statements.

Denis Choquette

Mr. Denis Choquette has twenty-five years' experience in the high technology, industrial and finance business, including tenures at IBM, AT&T and Bombardier. Before founding GTR Capital, he was as Vice President and General Manager at Bombardier where he formed a very successful high technology finance division. As a founding partner of GTR Capital, Mr. Choquette has provided mergers and acquisitions services to its clients throughout North America, Europe and Asia. Mr. Choquette also has a leading role in strategy & business

development at Fayolle Canada Inc. which is one of the fastest growing construction companies in Canada. Mr. Choquette has become very familiar with public Corporation financial statements and the accounting principles used in reading and preparing financial statement during his 25 years' experience in said executive roles.

Theo van der Linde

Mr. van der Linde is a Chartered Accountant with 20 years extensive finance, administration and public accounting experience in diverse industries including mining, oil & gas, financial services, insurance, manufacturing and retail.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the audit committee of the Corporation has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board of the Corporation.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on:

- (a) the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110; or
- (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Pre-Approval Policies and Procedures

The audit committee has not adopted any specific policies and procedures for the engagement of non-audit services.

External Auditors Service Fees

In the following table, "Audit Fees" are fees billed by the Corporation's external auditors for services provided in auditing the Corporation's annual financial statements for the subject year. "Audit-related Fees" are fees not included in audit fees that are billed by the auditors for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements. "Tax Fees" are billed by the auditors for professional services rendered for tax compliance, tax advice and tax planning. "All Other Fees" are fees billed by the auditors for products and services not included in the foregoing categories.

The fees paid by the Corporation to its auditors in each of the last two financial years, by category, are as follows:

	Financial Year Ending March 31	Audit Fees⁽¹⁾	Audit-related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
PricewaterhouseCoopers LLP, Chartered Professional Accountant ⁽⁵⁾	2017	\$37,000	\$2,617	\$1,050	Nil
	2016	\$38,325	Nil	\$1,050	Nil

Notes:

- (1) "Audit fees" include aggregate fees billed by the Corporation's external auditor in each of the last two fiscal years for audit fees.
- (2) "Audited related fees" include the aggregate fees billed in each of the last two fiscal years for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under "Audit fees" above. The services provided include employee benefit audits, due diligence

assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

- (3) “Tax fees” include the aggregate fees billed in each of the last two fiscal years for professional services rendered by the Corporation’s external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All other fees” include the aggregate fees billed in each of the last two fiscal years for products and services provided by the Corporation’s external auditor, other than “Audit fees”, “Audit related fees” and “Tax fees” above.
- (5) PricewaterhouseCoopers LLP, Chartered Professional Accountants have been the Corporation’s auditor since 2011.

Exemption in Section 6.1

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

PART 6 – CORPORATE GOVERNANCE

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all reporting issuers to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “**Guidelines**”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by the Corporation in adopting its corporate governance practices. The Board and senior management of the Corporation consider good corporate governance to be an integral part of the effective and efficient operation of Canadian corporations. The Corporation’s approach to corporate governance is set out below.

Board of Directors

Management is nominating three individuals to the Corporation’s Board, all of whom are current directors of the Corporation.

The Guidelines suggest that the Board of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors under NI 52-110, which provides that a director is independent if he or she has no direct or indirect “material relationship” with the Corporation. The “material relationship” is defined as a relationship which could, in the view of the Corporation’s Board, reasonably interfere with the exercise of a director’s independent judgement. Denis Choquette is considered “independent” within the meaning of NI 52-110. Troy Grant, who is the President, CEO of the Corporation and Theo van der Linde, who is the CFO of the Corporation, are not considered “independent” of the Corporation. Following the annual general meeting, the Corporation will endeavor to appoint additional independent directors to the Board.

The Board has a stewardship responsibility to supervise the management of and oversee the conduct of the business of the Corporation, provide leadership and direction to Management, evaluate Management, set policies appropriate for the business of the Corporation and approve corporate strategies and goals. The day-to-day management of the business and affairs of the Corporation is delegated by the Board to the CEO. The Board will give direction and guidance through the CEO to Management and will keep Management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the Shareholders for election as directors, and immediately following each annual general meeting appoints an Audit Committee and appoints the chairperson of the Audit Committee. The Board establishes and periodically reviews and updates the committee mandates, duties and responsibilities of the committee of the Board, elects a chairperson of the Board and establishes his or her duties and responsibilities, appoints the CEO, CFO and President of the Corporation and establishes the duties and responsibilities of those positions and on the recommendation of the CEO and President, appoints the senior officers of the Corporation and approves the senior Management structure of the Corporation.

The Board exercises its independent supervision over management by its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans; and (b) all material transactions of the Corporation are subject to prior approval of the Board. The Board shall meet not less than three times during each year and will endeavour to hold at least one meeting in each fiscal quarter. The Board will also meet at any other time at the call of the CEO, or subject to the Articles of the Corporation, of any director.

The mandate of the Board, as prescribed by the Canada *Business Corporations Act*, is to manage or supervise management of the business and affairs of the Corporation and to act with a view to the best interests of the Corporation. In doing so, the Board oversees the management of the Corporation's affairs directly and through its committees.

Directorships

The following directors of the Corporation are also directors of other reporting issuers as stated:

Name of Director	Other reporting issuer (or equivalent in a foreign jurisdiction)
Troy Grant	Carrus Capital Corporation European Metals Corp.
Theo van der Linde	Coronet Metals Inc. Tidal Royalty Corp.
Denis Choquette	N/A

Orientation and Continuing Education

The Board's practice is to recruit for the Board only persons with extensive experience in the mining and mining exploration business and in public Corporation matters. Prospective new board members are provided a reasonably detailed level of background information, verbal and documentary, on the Corporation's affairs and plans prior to obtaining their consent to act as a director.

The Board provides training courses to the directors as needed, to ensure that the Board is complying with current legislative and business requirements

Ethical Business Conduct

The Board encourages and promotes a culture of ethical business conduct through communication and supervision as part of their overall stewardship responsibility. In addition, the Board has adopted a Corporate Conduct and Code of Ethics Policy (the "Code") to be followed by the Corporation's directors, officers, employees and principal consultants and those of its subsidiaries. The Code is also to be followed, where appropriate, by the Corporation's agents and representatives, including consultants where specifically required. The purpose of the Code is to, among other things, promote honest and ethical conduct, avoid conflict of interest, protect confidential information and comply with the applicable government laws and securities rules and regulations.

Nomination of Directors

The Board identifies new candidates for board nomination by an informal process of discussion and consensus-building on the need for additional directors, the specific attributes being sought, likely prospects, and timing. Prospective directors are not approached until consensus is reached. This process takes place among the Chairman and a majority of the non-executive directors.

Other Board Committees

At the present time, the only standing committee is the Audit Committee. As the Corporation grows, and its operations and management structure became more complex, the Board expects it will constitute more formal standing committees, such as a Corporate Governance Committee, and a Compensation Committee and a Nominating Committee.

Assessments

The Board annually reviews its own performance and effectiveness as well as the effectiveness and performance of its committees. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of individual directors are informally monitored by other Board members, bearing to mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

The Board monitors the adequacy of information given to directors, communication between Board and Management and the strategic direction and processes of the Board and its committees.

The Board believes its corporate governance practices are appropriate and effective for the Corporation, given its size and operations. The Corporation's corporate governance practices allow the Corporation to operate efficiently, with checks and balances that control and monitor Management and corporate functions without excessive administration burden.

PART 7 – OTHER INFORMATION

Securities Authorized For Issuance Under Equity Compensation Plans

The following table sets out those securities of the Corporation which have been authorized for issuance under equity compensation plans, as at the year ended March 31, 2017:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by the securityholders	5,702,500 options	\$0.15 for options	2,575,813
Equity compensation plans not approved by the securityholders	Nil	Nil	Nil
Total	5,702,500 options	\$0.15 for options	2,575,813

Corporate Cease Trade Orders or Bankruptcies

No director or proposed director of the Corporation is, or within the ten years prior to the date of this Circular has been, a director or executive officer of any Corporation, including the Corporation, 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 Corporation access to any exemption under securities legislation for a period of more than 30 consecutive days; or
- (b) was subject to an event that resulted, after the director ceased to be a director or executive officer of the Corporation being the subject of a cease trade order or similar order or an order that denied the relevant Corporation access to any exemption under 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, 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.

Individual Bankruptcies

No director or proposed director of the Corporation has, within the ten years prior to the date of this Circular, become bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency, or been 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 that individual.

Penalties or Sanctions

None of the proposed directors have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable security holder making a decision about whether to vote for the proposed director.

Indebtedness of Directors and Executive Officers

None of the current or former directors, executive officers, employees of the Corporation, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Corporation since the beginning of the last completed financial year of the Corporation.

Interest of Certain Persons Or Companies in Matters To Be Acted Upon

No director or executive officer of the Corporation or any proposed nominee of Management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, since the beginning of the Corporation's last financial year in matters to be acted upon at the Meeting, other than the election of directors, the appointment of auditors and the confirmation of the Stock Option Plan.

Interest Of Informed Persons In Material Transactions

None of the persons who were directors or executive officers of the Corporation or a subsidiary at any time during the Corporation's last completed financial year, the proposed nominees for election to the Board, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding common shares of the Corporation, nor the associates or affiliates of those persons, has any material interest, direct or indirect, by way of beneficial

ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation.

As subscribers to a Private Placement that closed February 23, 2017, Theo van der Linde, CFO and Director of the Corporation acquired indirectly, 166,666 Units. The participation by an insider in the Private Placement is considered to be a “related party transaction” as defined under Multilateral Instrument 61-101 (“**MI 61-101**”). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as neither the fair market value of the securities being issued nor the consideration being paid exceeds 25% of the Corporation’s market capitalization. No Finder’s Fee was paid for Theo van der Linde’s subscriptions.

As subscribers to a Private Placement that closed February 23, 2017, Troy Grant, CEO and Director of the Corporation acquired directly, 462,962 Units. The participation by an insider in the Private Placement is considered to be a “related party transaction” as defined under Multilateral Instrument 61-101 (“**MI 61-101**”). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, as neither the fair market value of the securities being issued nor the consideration being paid exceeds 25% of the Corporation’s market capitalization. No Finder’s Fee was paid for Troy Grant’s subscriptions.

Management Contracts

Other than as disclosed elsewhere in this Circular, no Management functions of the Corporation are to any substantial degree performed by a person or company other than the directors or NEOs of the Corporation.

Additional Information

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Financial information about the Corporation is provided in the Corporation’s comparative annual financial statements to March 31, 2017, a copy of which, together with Management’s Discussion and Analysis thereon, can be found on the Corporation’s SEDAR profile at www.sedar.com. Additional financial information concerning the Corporation may be obtained by any securityholder of the Corporation free of charge by contacting the Corporation, at 111 Ahmadi Crescent, Bedford, Nova Scotia, B4A 4E5 or by telephone at (902) 802-8847.

Board Approval

The contents of this Circular have been approved and its mailing authorized by the directors of the Corporation.

DATED at Halifax, Nova Scotia, the 13th day of **September, 2017**.

ON BEHALF OF THE BOARD

Signed: *“Troy Grant”*

Troy Grant,
President, Chief Executive Officer

ELCORA ADVANCED MATERIALS CORP.

Schedule "A"
Audit Committee Charter

(SEE ATTACHED)

Charter of the Audit Committee of the Board of Directors

Elcora Advanced Materials Corp.

An audit committee (the “**Committee**”) of the board of directors (the “**Board**”) of Elcora Advanced Materials Corp. (the “**Corporation**”) has been established by resolution of the Board. It shall be composed of not less than three directors of the Corporation, all of whom are not officers or employees of the Corporation or any of its affiliates. One member of the Committee shall be appointed by the Board to be the Committee’s chairman, provided that the chairman shall at all times be an independent director. All members of the Committee shall satisfy the independence and qualification requirement under Multilateral Instrument 52-110 Audit Committees and any requirement of any stock exchange on which the shares of the Corporation are listed and posted for trading.

The Committee’s general responsibilities shall be to advise and assist the Board in fulfilling its financial responsibilities for the Corporation by monitoring all of the integrity of the Corporation’s financial statements, financial and accounting practices, internal controls, performance of internal and external auditors, independence and qualification of external auditors, business ethics, and compliance with all laws, regulations and policies that may have an impact on the consolidated financial statements of the Corporation. The Committee shall oversee these areas for the Corporation, all of its controlled subsidiaries and affiliates, and to the extent practicable, for subsidiaries and affiliates, if any, that the Corporation does not control, if any. The Committee shall be directly responsible for the appointment, replacement, compensation and oversight of the external auditor and the external auditor shall report directly to the Committee.

Concerning the External Auditor

- A. The Committee’s specific responsibilities concerning the external auditor shall be to:
1. Recommend to the Board each year both the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, and the compensation to be paid to the external auditor;
 2. Review, evaluate and satisfy itself as to the independence, qualifications, and performance of the Corporation’s external auditor including:
 - a) reviewing formal written statements submitted periodically by the external auditor delineating all relationships between themselves and the Corporation;
 - b) discussing with the external auditor any disclosed relationships or services that may impact their objectivity and independence;
 - c) reviewing not less than once per year the external auditor’s quality control procedures including any material issues raised by internal quality control, peer reviews, inquiries or investigations by governmental or professional authorities, and the steps to be taken to address such issues;
 - d) reviewing and evaluating the lead partner of the external auditor; and
 - e) assuring the regular rotation of the lead audit partner as may be considered either necessary or advisable.
 3. Recommend to the Board the results of such evaluation of the external auditor and any action the Committee deems appropriate based on the evaluation, including considering whether, to assure continuing auditor independence, there should be a regular rotation of the audit firm itself;

4. Review and act upon reports by the external auditor including the external audit, the terms of engagement and compensation of the external auditor, and pre-approve all audit and non-audit services to be provided by the external auditor. Any such pre-approval may be delegated by the Committee to any member of the Committee;
5. Oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
6. Review and approve of the Corporation's hiring policies regarding partners, employees and former partners and employees of the Corporation's present and former external auditors.

Concerning the Corporation's Financial Matters:

- B. The Committee's specific responsibilities concerning the Corporation's Financial Matters shall be to:
 1. Monitor and review from time to time, but not less than once annually, the Corporation's:
 - a) internal financial controls and internal audit functions;
 - b) appointment and/or replacement of the chief financial officer, the senior internal auditor and any key executives involved in the Corporation's financial reporting process;
 - c) policies on risk assessment and risk management, including the Corporation's major financial risk exposures and the steps management has taken to monitor and control such exposures;
 - d) compliance with securities laws, regulations and policies concerning the Corporation's financial statements, audits and public disclosure;
 - e) compliance with tax laws, regulations and policies concerning the Corporation;
 - f) expense reimbursements paid to the Chairman of the Board, the Chief executive Officer, the chief Financial Officer and such other directors or senior officers as the committee may deem appropriate and;
 - g) charter for the Committee and perform an annual evaluation of the Committee's performance

all in consultation with the Corporation's senior internal auditor, the external auditor and such other advisors and the Committee may select.

2. Hold regularly scheduled meetings with management, the senior internal auditor, and the external auditor and keep minutes of all such meetings;
3. Review and discuss with management and the external auditor:
 - a) the Corporation's audited financial statements, interim financial statements and "Management Discussion and Analysis" before approval by the Board or public disclosure;
 - b) reports from the Corporation's internal auditor and management's response;

- c) the types of information to be disclosed and the types of presentation to be made in connection with the Corporation's earnings press releases and financial information and guidance provided to analysts and rating agencies (if any); and
 - d) any proposed related party transactions involving the Corporation before approval by the Board or public disclosure.
- 4. Discuss with management and the external auditor any significant financial reporting, accounting and audit issues and judgments (including reports or analysis rendered by management or the external auditor in connection with the Corporation's financial statements) pertinent to the preparation of the Corporation's financial statements (including the quality of the Corporation's accounting principles, any audit problems or difficulties, any significant changes in the Corporation's selection or application of accounting principles, any off-balance sheet structures, and special audit steps adopted or taken in light of material control deficiencies, any major disputes between management and the external auditor);
- 5. Establish procedures for:
 - a) reviewing all of the Corporation's public disclosure of audited or unaudited financial information extracted or derived from the Corporation's financial statements;
 - b) receipt, retention or treatment of complaints received by the corporation regarding accounting, internal accounting controls or auditing matters, and
 - c) confidential, anonymous submission by any of the Corporation's employees of concerns regarding
 - d) questionable accounting or auditing matters;
 - e) and to periodically re-assess those procedures;

Advising the Board

- C. The Committee's specific responsibilities concerning advising the Board shall be to:
 - 1. Review and consider:
 - a) Major changes and questions of choice respecting appropriate accounting principles and auditing standards to be used in preparing and presenting the Corporation's financial statements; and
 - b) Legal, accounting and regulatory matters (including initiatives) that may have a material impact on the Corporation's reporting obligations, financial statements, conflicts of interest and general business ethics;
 - 2. Review reports from the Corporation's internal or external auditors and legal counsel (either that represent or have represented the Corporation) about any credible evidence of material violations of securities laws or material breach of duty by the Corporation, any member of the Board or any officer, employee or agent of the Corporation; and

3. Serve as a channel of communication between the external auditor and the Board and between the senior internal auditor and the board, and report regularly to the Board on the Committee's deliberations and actions taken, and any issues that arise concerning the quality or integrity of the Corporation's financial statements, compliance with legal or regulatory requirements, performance and independence of the external auditor, or performance of the internal auditor; and

The Committee has the irrevocable authority to obtain advice and assistance from outside legal, accounting or other such advisors and the Committee deems necessary, appropriate or advisable in its sole discretion, without notice to or approval from the Board. The Corporation shall provide adequate funding to the Committee, as determined by the Committee, for payment of compensation to any external auditor, compensation to any advisor, and ordinary administrative expenses that are necessary or appropriate for carrying out its duties.

The Committee shall fix its own time and place of meetings and shall prescribe its own rules and directors of the Corporation who are not members of the Committee shall attend meetings of the Committee only upon the written invitation of the Chair of the Committee.

Confirmation

This Charter of the Audit Committee of the Board of Directors made by resolution of the Board of Elcora Advanced Materials Corp. as at the 13th day of September, 2017.

On Behalf of the Board of Directors

Signed: *"Troy Grant"*

Troy Grant, Director

On Behalf of the Audit Committee

Signed: *"Denis Choquette"*

Denis Choquette
Director