BARKSDALE CAPITAL CORP.

Annual General and Special Meeting of Shareholders
to be held Wednesday, December 13, 2017

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

November 14, 2017

BARKSDALE CAPITAL CORP.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON DECEMBER 13, 2017

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of the shareholders of Barksdale Capital Corp. (the "**Company**") will be held at Suite 610 – 815 West Hastings Street, Vancouver, B.C., on Wednesday, December 13, 2017, at 11:00 a.m. (Vancouver time) for the following purposes:

1. To receive the audited financial statements of the Company for the year ended March 31, 2017 and the report of the auditor on those statements.

2. To set the number of directors for the ensuing year at four.

3. To elect directors for the ensuing year.

4. To appoint the auditor for the Company for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor.

5. To consider and, if thought advisable, pass an ordinary resolution confirming and approving the Company's shareholder rights plan as more particularly described in the Company's management information circular dated November 14, 2017 (the "**Information Circular**") accompanying this Notice of Meeting.

6. To consider and, if thought advisable, pass an ordinary resolution adopting and approving a new "rolling" stock option plan for the Company as more particularly described in the Information Circular.

7. To consider and if thought appropriate, pass, with or without amendment, a special resolution altering the Company's articles to incorporate advance notice provisions for the nomination of directors of the Company as more particularly described in the Information Circular; and

8. To transact such other business as may properly come before the Meeting or any adjournments thereof.

This notice is accompanied by the management Information Circular and either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders. Shareholders are requested to read the Information Circular and, if unable to attend the Meeting in person, complete, date, sign and return the proxy or voting instruction form, as applicable, so that as large a representation as possible may be had at the Meeting.

The Board of Directors of the Company has fixed the close of business on November 8, 2017 as the record date, being the date for the determination of the registered holders of common shares entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof. The Board of Directors has also fixed 11:00 a.m. (Vancouver time) on Monday, December 11, 2017, or no later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays), as the time before which proxies to be used or acted upon at the Meeting or any adjournment thereof shall be deposited with the Company's registrar and transfer agent, Computershare Investor Services Inc.

DATED at Vancouver, British Columbia, as of the 14th day of November, 2017.

BARKSDALE CAPITAL CORP.

(signed) ***"Richard S. Silas"***

By:

Richard S. Silas
President and Chief Executive Officer

BARKSDALE CAPITAL CORP.

INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of November 14, 2017.

This Information Circular is being mailed by management of the Company to everyone who was a shareholder of record of the Company on November 8, 2017 (the "**Record Date**"), which is the date that has been fixed by the Board of Directors of the Company (the "**Board**") as the record date to determine the shareholders who are entitled to receive notice of and to vote at the Meeting.

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management for use at the annual general and special meeting of the shareholders of the Company that is to be held on Wednesday, December 13, 2017 at 11:00 a.m. (Vancouver time) at Suite 610 – 815 West Hastings Street, Vancouver, BC V6C 1B4. The solicitation of proxies will be primarily by mail. Certain employees, officers or directors of the Company may also solicit proxies by telephone, email or in person. The cost of solicitation will be borne by the Company.

The Meeting Materials (as defined below) are being sent to both registered and non-registered owners of the Company's common shares (each a "**Share**") in accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") and arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to deliver proxy solicitation materials to the beneficial owners of the Shares. The Company may pay the reasonable costs incurred by such persons in connection with such delivery.

If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities laws from the Intermediary (as defined below) holding the Shares on your behalf. By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

Under the Company's articles of incorporation (the "**Articles**"), at least one person who is, or who represents by proxy, one or more shareholders who, in the aggregate, hold at least 5% of the issued Shares entitled to vote must be present at the Meeting before any action may validly be taken at the Meeting. If such a quorum is not present in person or by proxy, the Company will reschedule the Meeting.

PART 1 – VOTING

HOW A VOTE IS PASSED

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a poll is requested or otherwise required, in which case each shareholder is entitled to one vote for each share held.

In order to approve a motion proposed at the Meeting a majority of greater than 50% of the votes cast will be required (an "**ordinary resolution**") unless the motion requires a special resolution in which case a majority of 66 2/3% of the votes cast will be required (a "**special resolution**").

WHO CAN VOTE?

Registered shareholders whose names appear on the Company's central securities register maintained by Computershare Investor Services Inc. ("**Computershare**"), the Company's registrar and transfer agent, as of the close of business on November 8, 2017, the Record Date, are entitled to attend and vote at the Meeting. Each Share is entitled to one vote.

If your Shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "Non-Registered Shareholders" set out below.

HOW TO VOTE

If you are a registered shareholder and eligible to vote, you can vote your shares in person at the Meeting or by signing and returning the accompanying form of proxy (the "**Proxy**") by mail in the return envelope provided or vote by telephone or using the Internet as indicated on the form. Please see "Registered Shareholders" below.

If your shares are not registered in your name but are held by a nominee (usually a bank, trust company, securities broker or other financial institution), please see "Non-Registered Shareholders" below.

REGISTERED SHAREHOLDERS

Voting Instructions:

- complete, date and sign the Proxy and return it to Computershare by mail or hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1.
- using the telephone, call 1-866-732-VOTE (8683) toll free and follow the prompts. You will need your 15 digit control number found at the bottom of the first page of the Proxy to vote by telephone.
- log on to Computershare's website at www.investorvote.com and following the instructions given on the website. You will need to insert your 15 digit control number found at the bottom of the first page of the Proxy to vote by the Internet.

Whichever method you choose, the Proxy must be received or voting instructions completed at least forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment thereof. In the case of a corporation, the Proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

If you plan to vote in person at the Meeting do NOT complete and return the Proxy. Instead, you will need to register with Computershare when you arrive at the Meeting and your vote will be taken and counted at the Meeting. If your Shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer's authority should be presented at the Meeting.

NON-REGISTERED SHAREHOLDERS

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most shareholders are "non-registered shareholders" ("**Non-Registered Holders**") because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Holder are registered either: (i) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Holder deals with in respect of the Shares (including, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. or The Depository Trust & Clearing Corporation) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Company has distributed copies of the Notice of Meeting, this Information Circular and the Proxy or voting instruction form, as applicable, (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders and seek voting instructions unless in the case of certain proxy-related materials the Non-Registered Holder has waived the right to receive them. The majority of Intermediaries now delegate responsibility for obtaining instructions from Non-Registered Holders to Broadridge Financial Solutions Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form or "VIF" to Non-Registered Holders and asks Non-Registered Holders to return the VIF to Broadridge in accordance with its instructions. Alternatively, where applicable, a Non-Registered Holder may go online to *www.investorvote.com* or call 1-866-732-VOTE (8683) toll free to vote or return the completed and signed VIF directly to Computershare as provided above.

The purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares they beneficially own. However, without specific voting instructions, Intermediaries and their agents and nominees are prohibited from voting shares for their clients. **Accordingly, each Non-Registered Shareholder should ensure that voting instructions are communicated to the appropriate party well in advance of the Meeting so that your nominee has enough time to submit your instructions to us.**

A Non-Registered Holder cannot use the VIF provided to vote directly at the Meeting. Should a Non-Registered Holder wish to attend and vote at the Meeting in person, the Non-Registered Holder must insert his or her name (or the name of such other person as the Non-Registered Holder wishes to attend and vote on his or her behalf) in the blank space provided for that purpose on the VIF and return the completed VIF in accordance with the instructions provided well in advance of the Meeting. If you bring your VIF to the Meeting, your vote will NOT count.

Only registered shareholders have the right to revoke a proxy. Non-Registered Holders of Shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out below. See "Revocation of Proxies".

Appointment of Proxyholders

The persons named in the Proxy are directors or officers of the Company. **YOU HAVE THE RIGHT TO APPOINT A PERSON (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT ON YOUR BEHALF AT THE MEETING OTHER THAN THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS. TO EXERCISE THIS RIGHT, YOU MUST STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE PROXY AS PROXYHOLDERS AND INSERT THE NAME OF YOUR NOMINEE IN THE SPACE PROVIDED OR COMPLETE ANOTHER PROXY.**

Your Voting Instructions

A shareholder completing the enclosed Proxy may indicate the manner in which the persons named in the Proxy are to vote with respect to any matter by marking an "X" in the appropriate space. On any poll requested, those persons will vote or withhold from voting the shares in respect of which they are appointed in accordance with the directions, if any, given in the Proxy provided such directions are certain.

If a shareholder wishes to confer a discretionary authority with respect to any matter, then the space should be left blank. **In such instance, the Proxyholder, if nominated by management, intends to vote the Shares represented by the Proxy in favour of the motion.**

The Proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting and other matters which may properly come before the Meeting. **It is the intention of the persons designated in the Proxy to vote in accordance with their best judgement on such matters or business.** At the time of printing of this Information Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting.

The Proxy must be dated and signed by the shareholder or the shareholder's attorney authorized in writing. In the case of a corporation, the Proxy must be dated and duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

The completed Proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be deposited with Computershare in accordance with the above instructions before the time set out in the Proxy. Non-Registered Holders must deliver their completed VIF in accordance with the instructions given by the Intermediary that forwarded the VIF to them.

In order to be effective, a Proxy must be deposited at the office of Computershare, no later than 11:00 a.m. (Vancouver Time) on December 11, 2017 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment or postponement of the Meeting. The deadline for the deposit of Proxies may be waived by the Chairman of the Meeting at his or her sole discretion without notice. Failure to properly complete or deposit a Proxy may result in its invalidation.

Revocation of Proxies

Only registered shareholders have the power to revoke Proxies previously given. Revocation can be effected by an instrument in writing (which includes a Proxy bearing a later date) executed by the shareholder or by the shareholder's attorney authorized in writing and in the case of a corporation, duly executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation, and either delivered at any time up to the close of business on the last business day preceding the day of the Meeting, or any adjournment thereof, to:

Barksdale's Registered Office		Computershare Investor Services Inc.
Suite 610 – 815 West Hastings Street Vancouver, B.C. V6C 1B4 Canada	Or	8th Floor - 100 University Avenue Toronto, Ontario M5J 2Y1
Or deposited with the Chairman of the Meeting on the day of the Meeting, prior to the hour of commencement		

Non-Registered Holders of Shares who wish to change their vote must, in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary, revoke their proxy in accordance with the revocation procedures set out above.

UNITED STATES SHAREHOLDERS

This solicitation of proxies involves securities of a corporation incorporated in Canada and is being effected in accordance with the corporate laws of the Province of British Columbia, Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to the Company or this solicitation. Shareholders should be aware that disclosure and proxy solicitation requirements under the securities laws of the provinces of Canada differ from the disclosure and proxy solicitation requirements under United States securities laws. The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the *Business Corporations Act* (British Columbia), the majority of its directors and executive officers are residents of Canada and a significant portion of its assets and the assets of such persons are located outside the United States. Shareholders may not have standing to bring a claim against a foreign corporation or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign corporation and its officers and directors to subject themselves to a judgment by a United States court.

PART 2 - VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value. All issued Shares are entitled to be voted at the Meeting and each has one vote. As of November 8, 2017 there were 32,175,583 Shares issued and outstanding.

Only those shareholders of record on November 8, 2017 will be entitled to vote at the Meeting or any adjournment thereof.

To the knowledge of the directors and executive officers of the Company, only the following person beneficially owns, or exercises control or direction, directly or indirectly, over Shares carrying 10% or more of the voting rights attached to all outstanding Shares of the Company which have the right to vote in all circumstances:

Name and Municipality of Residence	**Number of Shares** (1)	**Percentage of Issued and Outstanding Shares**
Regal Resources Inc. Vancouver, B.C.	5,100,000 (2)	15.85%

(1) This information is not within the knowledge of the management of the Company and has been furnished by the respective holders, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the holders and available through the Internet at www.sedi.ca.\

(2) Of these shares, 3,850,000 shares are held in escrow and subject to cancellation and return to treasury if the Company determines not to proceed with its option to acquire up to a 67.5% undivided interest in the Sunnyside property located in Santa Cruz County, New Mexico following completion of its initial exploration program thereon. The Company has one year following receipt of all necessary governmental approvals and permits including drill permits to complete an initial exploration program of $3,000,000 on the Sunnyside property. See the Company's news releases dated August 15, 2017 and October 5, 2017 for further details regarding the Company's option to acquire up to a 67.5% undivided interest in the Sunnyside property. See also Part 4 "EXECUTIVE COMPENSATION – *Compensation Discussion and Analysis*" below.

PART 3 - THE BUSINESS OF THE MEETING

FINANCIAL STATEMENTS

The audited financial statements of the Company for the year ended March 31, 2017 will be placed before you at the Meeting. These financial statements, together with the auditor's report thereon, and management's discussion and analysis thereof have been mailed to the shareholders of the Company with the Meeting Materials. They are also available for review under the Company's profile on SEDAR at www.sedar.com. See Part 8 "OTHER INFORMATION – *Additional Information*" below.

ELECTION OF DIRECTORS

Directors of the Company are elected for a term of one year. Management proposes to nominate the persons named under the heading "*Nominees for Election*" below for election as directors of the Company. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a director.

It is proposed to set the number of directors at four. This requires the approval of the shareholders of the Company by an ordinary resolution, which approval will be sought at the Meeting.

Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the setting of the number of directors, the persons named in the enclosed Proxy will vote FOR the number of directors of the Company to be set at four (4).

Nominees for Election

The Board of the Company presently consists of four (4) directors to be elected annually. At the Meeting, it is proposed to maintain the number of directors elected at four (4) directors to hold office until the next annual general meeting or until their successors are duly elected or appointed. **Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the election of directors, the persons named in the enclosed Proxy will vote FOR the election of the four (4) nominees whose names are set forth below.** Management does not contemplate that any of the following 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 enclosed Proxy shall have the right to vote for another nominee in their discretion.

The following table and notes thereto state the names, provinces/states and countries of residence of all persons proposed to be nominated for election as directors, the date on which each of them first became a director of the Company, all positions and offices with the Company held by each of them, the principal occupation or employment of each of them, and the approximate number of Shares of the Company beneficially owned, or controlled or directed, directly or indirectly, by each of them as at the Record Date. The biographical information set out below as to principal occupation of, and number of Shares owned by, each of the nominees, not being within the knowledge of the Company, has been furnished by the nominees. The Company also has an audit committee, the members of which are indicated below.

Name, Province/State and Country of Residence and Position with Company	Present Principal Occupation [1]	Previously a Director Since	Shares Owned [2]
Glenn Kumoi [3] B.C., Canada *Director*	Vice-President General Counsel and Corporate Secretary, Gold Standard Ventures Corp. (TSX; NYSE-American); June 2017 to present; Vice-President General Counsel and Corporate Secretary, Rubicon Minerals Corporation; December 2009 to January 2017	October 11, 2017	125,000
Peter McRae [3] Ontario, Canada *Director*	Senior Vice-President, Corporate Affairs and Chief Legal Officer of Americas Silver Corporation (TSX; NYSE-American) and predecessor companies, November 2011 to present; Attorney at Weil Gotshal & Manges LLP, 2007 to 2011	October 11, 2017	75,000
Jeffrey O'Neill [3] B.C., Canada *Director*	President/Owner, JMO Enterprises Ltd. (private consulting firm), 2002 to present; Regional Sales Manager, Western Canada, Primus Business Solutions, 2007 to 2013	August 26, 2016	945,000
Richard S. Silas [3] B.C., Canada *President, Chief Executive Officer, Corporate Secretary and Director*	Principal of Universal Solutions Inc., private company providing management and administration services to TSX Venture Exchange issuers, 1997 to present; Director, Gold Standard Ventures Corp., Aug 2009 to Sep 2017 (Corporate Secretary, July 2010 to June, 2017)	June 15, 2016	662,000

(1) Includes occupations for preceding five years unless the director was elected at the previous annual meeting and was shown as a nominee for election as a director in the information circular for that meeting.

(2) The approximate number of shares of the Company carrying the right to vote in all circumstances beneficially owned, directly or indirectly, or over which control or direction is exercised by each proposed nominee as of November 8, 2017. This information is not within the knowledge of the management of the Company and has been furnished by the respective individuals, or has been extracted from the register of shareholdings maintained by the Company's transfer agent or from insider reports filed by the individuals and available through the Internet at www.sedi.ca.

(3) Member of audit committee.

The Company does not have an executive committee. Pursuant to the provisions of the *Business Corporations Act* (British Columbia), the Company is required to have an audit committee whose members are indicated above. See also Part 6 "AUDIT COMMITTEE" below.

The Company's management recommends that shareholders vote in favour of the nominees for election as directors. **Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the four nominees as directors of the Company for the ensuing year.**

Corporate Cease Trade Orders or Bankruptcy

Save as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being subject to a cease trade or similar order or an order that denied the relevant company 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.

Richard S. Silas is a former director and officers of Northern Star Mining Corp. ("**Northern Star**"), a reporting issuer whose common shares were previously listed for trading on a predecessor to the TSX Venture Exchange (the "**TSXV**"). Effective August 18, 2010, Northern Star filed a Notice of Intention to Make a Proposal (the "**Proposal**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**Bankruptcy Act**") and appointed Deloitte & Touche Inc. as its trustee. On January 24, 2011, the deadline for filing its Proposal under the Bankruptcy Act expired and Northern Star was deemed to have filed an assignment in bankruptcy as of such date. Richard Silas resigned as a director and officer of Northern Star effective such date.

Mr. Silas is also a former director of Spirit Bear Capital Corp., a capital pool company that was suspended from trading by the TSXV on May 15, 2014 for failure to complete a qualifying transaction within 24 months of its listing.

Mr. Kumoi was an officer of Rubicon Minerals Corporation ("**RMC**") when a restructuring transaction was commenced under the *Companies' Creditors Arrangement Act* ("**CCAA**") on October 20, 2016, and when RMC emerged from the CCAA proceedings on December 20, 2016 after a successful implementation of the restructuring transaction.

Penalties or Sanctions

Save as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

On April 29, 2013, Mr. Silas was fine $8,000 by the Autorité des marches financiers in Quebec for failure to file insider reports within the prescribed time periods in respect of changes in his control over securities of Northern Star in November 2008 and April 2010. Such fine has been paid in full.

Personal Bankruptcy

As of the date of this Information Circular, no proposed nominee for election as a director of the Company has, within the ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Conflicts of Interest

Certain of the directors are currently, or may in the future become, involved in managerial or director positions with other issuers, both reporting and non-reporting, whose operations may, from time to time, be in direct competition with those of the Company or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of the Company.

The directors are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, the directors will consider, among other things, the degree of risk to which the Company may be exposed relative to the potential reward and its financial position at that time.

In addition, the directors of the Company also have other employment or other business or time restrictions placed on them and accordingly will only be able to devote part of their time to the business and affairs of the Company.

Save as aforesaid, to the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests.

APPOINTMENT OF THE AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, were appointed as auditor of the Company on July 5, 2017. See also Part 6 "AUDIT COMMITTEE – *External Auditor Service Fees*".

At the Meeting the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution with respect to the appointment of auditors for the Company:

> "RESOLVED, as an ordinary resolution, THAT that Davidson & Company LLP, Chartered Professional Accountants, be appointed as the Company's auditor for the ensuing year, at a remuneration to be fixed by the Board of Directors."

Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the above resolution with respect to the appointment of Davidson & Company LLP as the auditor of the Company for the ensuing year and authorizing the Board to fix the remuneration to be paid to the auditor.

CONFIRMATION AND APPROVAL OF SHAREHOLDER RIGHTS PLAN

Introduction

The Company has adopted a shareholders' rights plan (the "**Rights Plan**") for the purpose of encouraging potential offerors to either (i) make a Permitted Bid (as defined in the Rights Plan), without approval of the Board, having terms and conditions designed to meet the objectives of the Rights Plan, or (ii) negotiate the terms of the offer with the Board, failing which the offeror's position may be subject to substantial dilution. The Rights Plan takes the form of an agreement dated effective November 14, 2017 between the Company and Computershare Investor Services Inc. (the "**Rights Agent**"), a copy of which has been filed with and is available for review under the Company's profile on SEDAR at www.sedar.com. Shareholders may also request a copy of the Rights Plan without charge from the Company at Suite 610 – 815 West Hastings Street, Vancouver, B.C. Canada V6C 1B4 – telephone (778) 588 - 7139 / facsimile (604) 687 - 3567.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass with or without variation, an ordinary resolution, the text of which is set out below (the "**Rights Plan Resolution**"), to confirm and approve the adoption of the Rights Plan. In order for the Rights Plan to continue beyond the termination of the Meeting, the Rights Plan Resolution must be passed by an affirmative vote of a majority of the votes cast at the Meeting by Independent Shareholders (as defined in the Rights Plan). In effect, all Shareholders will be considered Independent Shareholders provided that they (or any of their affiliates or anyone with which they are acting jointly or in concert) are not at the time of the Meeting, making a takeover bid for Shares. Thereafter, the Rights Plan must be reconfirmed every three years at the annual meeting of Shareholders by an affirmative vote of a majority of the votes cast by Independent Shareholders at that meeting.

The Rights Plan was not adopted in response to or in anticipation of any pending or threatened take-over bid and is not intended to and will not prevent a take-over of the Company. Furthermore, the Rights Plan does not reduce or detract from the duty of the Board to act honestly, in good faith and in the best interests of the Company and the Shareholders, and to consider on that basis any offer made, nor does the Rights Plan alter the proxy mechanisms to change the Board, create dilution on the initial issue of the rights, or change the way in which the Company's Shares trade.

Objectives of the Rights Plan

On May 9, 2016, the Canadian Securities Administrators adopted amendments to Canada's takeover bid regime in National Instrument 62-104 –*Take-Over Bids and Issuer Bids* ("**NI 62-104**"). The key changes to the takeover bid rules include the following:

(a) the previous 35-day minimum bid period for takeover bids has been extended to 105 days, which a board of directors can shorten to as little as 35 days in certain cases;

(b) non-exempt takeover bids are subject to a mandatory minimum tender condition of over 50% of outstanding shares, other than shares held by a bidder and its joint actors; and

(c) the deposit period must be extended by 10 days once the minimum tender requirement has been met and all other bid terms and conditions are satisfied or waived.

However, these new takeover bid rules do not address creeping takeover bids where the acquisition of effective control occurs through a number of share purchases over time.

Under current securities legislation, an offeror may obtain control or effective control of a corporation by way of a creeping takeover bid without paying full value, without obtaining shareholder approval and without treating all shareholders equally. For example, an acquiror could acquire blocks of shares by private agreement from one or a small group of shareholders at a premium to market price, which premium is not shared by the other shareholders. In addition, a person could slowly accumulate shares through stock exchange acquisitions which may result, over time, in an acquisition of control or effective control without paying a control premium or fair sharing of any control premium amongst all shareholders.

The Board has determined, after considering the new takeover bid rules, that it is in the best interests of the Company to adopt a shareholder rights plan to address creeping takeover bids. The Company believes that the Rights Plan preserves the fair treatment of Shareholders, is consistent with current best Canadian corporate practice and addresses institutional investor guidelines.

It is not the intention of the Board to entrench themselves or avoid a bid for control that is fair and in the best interests of Shareholders. For example, Shareholders may tender to a bid which meets the Permitted Bid criteria without triggering the Rights Plan, regardless of the acceptability of the bid to the Board. Furthermore, even in the context of a bid that does not meet the Permitted Bid criteria, the Board must act honestly and in good faith with a view to the best interests of the Company and its Shareholders. The purpose of the Rights Plan is to prevent, to the extent possible, a creeping takeover bid of the Company to ensure that (i) every Shareholder will have an equal opportunity to participate in such a bid, and (ii) all Shareholders are treated fairly in connection with such a bid. The Rights Plan seeks to discourage coercive or unfair creeping takeover bids by creating significant potential dilution of any Shares which may be acquired or held by a takeover acquiror if such Shares are not acquired in a manner permitted by the Rights Plan. Under the Rights Plan, holders of Shares who are not related to the acquiror will be entitled to exercise Rights (as defined below) issued to them under the Rights Plan and to acquire Shares at a substantial discount to prevailing market prices, whilst the acquiror and the persons related to the acquiror will not be entitled to exercise any Rights under the Rights Plan.

Summary of Rights Plan

The following is a summary of the principal terms and general operation of the Rights Plan. This summary is qualified in its entirety by reference to the text of the Rights Plan. Capitalized terms not otherwise defined in this section shall have the same meaning ascribed to such terms in the Rights Plan.

Effective Date

The effective date of the Rights Plan is November 14, 2017 (the "**Effective Date**").

Term

The Rights Plan became effective on November 14, 2017 and is subject to the approval of the Rights Plan Resolution a majority of votes cast by Independent Shareholders at the Meeting.

If the Rights Plan Resolution is not approved at the Meeting, the Rights Plan and all Rights issued pursuant thereto will be terminated.

If the Rights Plan Resolution is approved at the Meeting, the Rights Plan will continue in effect thereafter, subject to earlier termination or expiration in accordance with the terms thereof, so long as the Rights Plan is reconfirmed by an ordinary resolution of Independent Shareholders every three years at the applicable annual meeting of Shareholders. If the Rights Plan is not reconfirmed every three years at the applicable annual meeting of the Company, the Rights Plan and all outstanding Rights issued under the Rights Plan will terminate on the applicable meeting date (the latest such meeting date to occur, the "**Expiration Time**").

Issue of Rights

On the Effective Date, one right (a "**Right**") was issued and attached to each outstanding Share of the Company. One Right will also be issued and attached to each additional Share issued after the Effective Date and prior to the earlier of the Separation Time (as defined below) and the Expiration Time.

Each Right entitles the holder thereof to purchase from the Company, on the occurrence of certain events, one Share at a price of $20.00 (the "**Exercise Price**"), subject to adjustment as provided in the Rights Plan. The Rights will not be exercisable until the Separation Time.

Exercise of Rights

Until the Separation Time (or the earlier of the termination or expiration of the Rights), the Rights will trade together with the Shares and will be evidenced by certificates for the associated Shares. After the Separation Time, the Rights will be exercisable and transferable separately from the Shares. See "*Certificates and Transferability*" below. "**Separation Time**" means the earlier of: (1) the close of business on the tenth trading day after the earliest of (i) the first day of a public announcement by an Acquiring Person (as defined below) that such person has become an Acquiring Person, (ii) the date of the commencement of or first public announcement of the intent of any person (other than the Company or any subsidiary or affiliate of the Company) to commence a takeover bid (other than a Permitted Bid or Competing Permitted Bid (as defined below)), and (iii) the date on which a Permitted Bid or Competing Permitted Bid ceases to be such; and (2) such later date as may be determined in good faith by the Board.

Acquiring Person and Flip-in Event

An acquiring person (an "**Acquiring Person**") is, generally, a person who becomes the beneficial owner or 20% or more of the outstanding Shares of the Company (including any Shares held by such Acquiring Person's affiliates and associates or persons acting jointly or in concert with the Acquiring Person). The Rights Plan excludes certain persons from the definition of Acquiring Person including (i) any person who becomes the beneficial owner of 20% or more of the Shares as a result of one or more of any combination of certain enumerated transactions (including by way of a Permitted Bid) provided that if such person's beneficial ownership thereafter increases by more than 1% of the number of Shares outstanding (other than pursuant to one or any combination of certain enumerated transactions), then, as of the date such person becomes the beneficial owner of such additional Shares, such person shall become an "Acquiring Person", (ii) for a period of ten days after the Disqualification Date (as defined below), any person who becomes the beneficial owner of 20% or more of the outstanding Shares as a result of such person becoming disqualified from relying on certain enumerated exclusions to the definition of "Beneficial Owner" (as defined in the Rights Plan) solely because such person or the beneficial owner of such Shares is making or has announced an intention to make a takeover bid, either alone or by acting jointly or in concert with any other person, or (iii) an underwriter or member of a banking or selling group that becomes the beneficial owner of 20% or more of the Shares in connection with a distribution of securities of the Company. For the purposes of this section, "**Disqualification Date**" means the first date of public announcement that any person is making or has announced an intention to make a takeover bid. The term "Acquiring Person" does not include the Company or its subsidiaries or affiliates.

A "**Flip-in Event**" means a transaction or event pursuant to which a person becomes an Acquiring Person and any Rights beneficially owned by the Acquiring Person upon the occurrence of a Flip-in Event will be void, as will any Rights beneficially owned by the Acquiring Person's affiliates or associates (and any persons acting jointly or in concert with the Acquiring Person or such affiliates or associates), and transferees thereof. After the occurrence of a Flip-in Event, each Right (other than those that are void) will permit the holder to purchase Shares with a total market value (generally the average daily closing price per Share for the 20 consecutive trading days immediately preceding the Flip-in Event) of $40.00 on payment of $20.00 (i.e. a discount of 50% of the market price), subject to anti-dilution adjustments.

Beneficial Ownership

In general, a person is deemed to beneficially own Shares actually held by others in circumstances where those holdings are or should be grouped for purposes of the Rights Plan including holdings by the person's affiliates, associates and any other person with which the person is acting jointly or in concert.

Also included are securities which the person or any of the person's affiliates or associates has the right to acquire within 60 days. The definition of "beneficial ownership" contains several exclusions whereby a person is not considered to "beneficially own" a security. There are also exemptions from the deemed "beneficial ownership" provisions for certain Shareholders, including investment managers whose ordinary business includes managing funds for others, trust companies (acting in their capacities as trustees and administrators), statutory bodies whose business includes the management of funds (including for employee benefit plans, pension plans and certain insurance plans), administrators of registered pension funds or plans and a Crown agent or agency, provided that such Shareholder is not then making or has not then announced an intention to make a takeover bid alone or jointly or in concert with any other person, other than an offer to acquire shares or other securities pursuant to a distribution by the Company or by means of ordinary market transactions through the facilities of a stock exchange or organized over-the counter market.

Permitted Bid and Competing Permitted Bid Requirements

A bidder can make a takeover bid and acquire Shares of the Company without triggering a Flip-In Event under the Rights Plan if the takeover bid qualifies as a "**Permitted Bid**". A Permitted Bid is a takeover bid that is made by means of a takeover bid circular and complies with the following conditions:

(a) the bid is made to all registered holders of Shares (other than Shares held by the offeror);

(b) the offeror agrees that no Shares will be taken up or paid for under the bid for at least 105 days following the commencement of the bid, or such shorter minimum period that a takeover bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104;

(c) no Shares will be taken up or paid for unless more than 50% of the outstanding Shares held by Shareholders other than the offeror and certain related parties have been deposited pursuant to the bid and not withdrawn;

(d) the offeror agrees that the Shares may be deposited to and withdrawn from the takeover bid at any time before such common shares are taken up and paid for; and

(e) if on the date specified for take-up and payment, the conditions in paragraphs (b) and (c) above are satisfied, the offeror shall make a public announcement of that fact and the bid shall remain open for at least 10 additional business days to permit the remaining Shareholders to tender their Shares.

The Rights Plan will allow for a competing Permitted Bid (a "**Competing Permitted Bid**") to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid, provided that a Competing Permitted Bid is only required to remain open until the last day of the minimum initial deposit period and the mandatory 10 day extension period that such takeover bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Competing Permitted Bid. Partial Permitted Bids and partial Competing Permitted Bids, which allow a bidder to make a takeover bid for less than 100% of the outstanding Shares, are permitted under the Rights Plan.

Lock-up Agreements

A bidder may enter into lock-up agreements with Shareholders ("**Locked-up Persons**") whereby such Shareholders agree to tender their Shares to a takeover bid (the "**Subject Bid**") without a Flip-in Event occurring provided that the agreement contains a provision that either (i) permits the Locked-up Person to withdraw the Shares to tender to another takeover bid or to support another transaction where the price or value per Share under such other bid or transaction is higher than the price or value per Share offered under the Subject Bid, or (ii) permits the Locked-up Person to withdraw the Shares to tender to another takeover bid or to support another transaction that contains an offering price that exceeds the offering price contained in the Subject Bid by a specified minimum amount not exceeding 7% of the offering price of the Subject Bid. A lock-up agreement may contain a right of first refusal or require a period of delay (or other similar limitation) to give a bidder an opportunity to match a higher price in another transaction as long as the Lock-up Person can accept another bid or tender to another transaction.

Any lock-up agreement must be made available to the Company and the public and cannot contain "break up" fees, "top up" fees, penalties, expenses or other amounts that exceed in the aggregate the greater of: (i) 2.5% of the price or value payable under the Subject Bid to a Locked-up Person; and (ii) 50% of the amount by which the price or value payable to a Locked-up Person under another takeover bid or transaction exceeds what such Locked-up Person would have received under the Subject Bid, if the Locked-up Person fails to deposit or tender Shares to the Subject Bid or withdraws Shares previously tendered thereto in order to deposit such Shares to another takeover bid or support another transaction.

Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by a legend imprinted (or deemed to be imprinted) on certificates for Shares issued from and after the Effective Date and are not transferable separately from the associated Shares. From and after the Separation Time and prior to the Expiration Time, the Rights will be evidenced by Rights certificates which will be transferable and traded separately from the Shares.

Waiver

The Board, acting in good faith, may, prior to the occurrence of a Flip-in Event, waive the application of the Rights Plan to a particular Flip-in Event (an "**Exempt Acquisition**") where the takeover bid is made by a takeover bid circular to all holders of Shares. Where the Board waivers the Right Plan for one takeover bid, the waiver will also apply to any other takeover bid for the Shares made by a takeover bid circular to all holders of Shares prior to the expiry of any other bid for which the Rights Plan has been waived.

Redemption

Subject to the approval of a majority of the votes cast by Shareholders (or the holders of Rights if the Separation Time has occurred) voting in person and by proxy, at a general meeting of the Shareholders duly called for that purpose, the Board may redeem the Rights at $0.00001 per Right. Rights shall also be redeemed by the Board without such approval following completion of a Permitted Bid, Competing Permitted Bid or Exempt Acquisition.

Amendments

The Board may amend the Rights Plan with the approval of a majority of the votes cast by Shareholders (or the holders of Rights if the Separation Time has occurred) voting in person and by proxy at a general meeting of the Shareholders duly called for that purpose. The Board without such approval may correct clerical or typographical errors and, subject to approval at the next annual general meeting of the Shareholders (or holders of Rights, as the case may be), may make amendments to the Rights Plan to maintain its validity due to changes in applicable legislation.

The full text of the Rights Plan is available for review under the Company's profile on SEDAR at *www.sedar.com*.

At the Meeting, Shareholders will be asked to consider, and if deemed advisable, pass the Rights Plan Resolution, as follows:

"RESOLVED, as an ordinary resolution, THAT:

1. the shareholder right plan of the Company dated effective November 14, 2017 (the "Rights Plan"), the terms and conditions of which are substantially described in the Company's management information circular dated November 14, 2017 is hereby confirmed and approved;

2. the making of any revisions to the Rights Plan as may be required by any professional commentators on shareholder rights plans to conform the Rights Plan to shareholder rights plans prevalent for public reporting issuers in Canada, as may be approved by any director or officer of the Company, is hereby authorized and approved; and

3. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute, under corporate seal or otherwise, and deliver, all documents or instruments and do all other acts and things as in the opinion of such director or officer may be necessary or advisable to implement this resolution and the matters authorized hereby, including compliance with all applicable securities laws and regulations, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and the taking of any such act or thing."

Recommendation of the Board

The Board unanimously recommends that the Shareholders vote in favour of the Rights Plan Resolution.

Unless the Shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the approval of the Rights Plan Resolution, the persons named in the enclosed Proxy will vote FOR the approval of the Rights Plan Resolution.

ADOPTION OF NEW 2017 STOCK OPTION PLAN

Policy 4.4 of the TSXV specifies that all listed issuers must implement a stock option plan. The Company's current stock option plan is a "rolling" plan pursuant to which the aggregate number of Shares reserved for issuance thereunder may not exceed, at the time of grant, in aggregate 10% of the Company's issued and outstanding Shares from time to time. TSXV policy requires that shareholder approval for "rolling" stock option plans must be obtained annually.

The Company's current plan was adopted in 2009 and the Board believes it is in the best interests of the Company to adopt a new "rolling" stock option plan (the "**2017 Stock Option Plan**") for the Company which better reflects the current policies of the TSXV and applicable securities legislation, under which all existing and future options will be subject.

The principal purposes of the 2017 Stock Option Plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Company; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such persons to remain with the Company; to attract new talent to the Company; and to reduce the cash compensation the Company would otherwise have to pay.

The material terms of the 2017 Stock Option Plan are as follows:

1. The number of Shares subject to each option is determined by the Board, or if appointed, by a special committee of directors appointed from time to time by the Board, provided, at the time the options are granted, that:

   (a) the number of Shares subject to option, in the aggregate, shall not exceed 10% of the Company's then issued shares;

   (b) no more than 5% of the issued Shares of the Company may be granted to any one optionee in any 12 month period (unless the Company has obtained "disinterested" shareholder approval);

(c) no more than 2% of the issued Shares of the Company may be granted to any one consultant in any 12 month period; and

(d) no more than an aggregate of 2% of the issued Shares of the Company may be granted to persons employed to provide "investor relations activities" in any 12 month period.

2. The exercise price of the options cannot be set at less than the last closing price of the Company's Shares on the stock exchange on which the Shares of the Company are then listed before the date on which the options are granted by the Company, less the maximum allowable discount from market as may be permitted under the policies of such exchange, if any, or such other minimum exercise price as may be required by such exchange.

3. The options may be exercisable for a period of up to 10 years.

4. All options are non-assignable and non-transferable and, if granted to "insiders" or at an exercise price less than market, will be legended with a four month TSXV hold period commencing on the date the stock options are granted.

5. The options shall be subject to such vesting requirements, if any, as may be determined by the Board from time to time provided that options granted to consultants performing "investor relations activities" must vest in stages over at least 12 months with no more than 1/4 of the options vesting in any three month period.

6. Reasonable topping up of options granted to an individual will be permitted.

7. The option can only be exercised by the optionee and only so long as the optionee is a director, officer, employee or consultant of the Company, any of its subsidiaries or a management company employee or within a reasonable period of time, not to exceed one year, after the optionee ceases to be in at least one of such positions to the extent that the optionee was entitled to exercise the option at the date of such cessation.

8. In the event of death of an optionee, the option previously granted to him shall be exercisable as to all or any of the Shares in respect of which such option has not previously been exercised at the date of the optionee's death (including the right to purchase Shares not otherwise vested at such time), by the legal representatives of the optionee at any time up to and including (but not after) a date one year following the date of death of the optionee or the expiry time of the option, whichever occurs first.

9. Options may provide that, in the event of the sale by the Company of all or substantially all of the property and assets of the Company or in the event of a take-over bid or tender offer for the Shares of the Company, the optionees under such options shall be entitled, for a stated period of time thereafter, to exercise and acquire all Shares under their option, including Shares available under the option that are not otherwise vested at that time.

10. Disinterested shareholder approval for any reduction in the exercise price of a previously granted option shall be obtained prior to the exercise of such option if the optionee is an "insider" of the Company at the time of the proposed reduction.

A copy of the proposed 2017 Stock Option Plan is attached to this Information Circular as Exhibit "A".

At the Meeting Shareholders will be asked to consider, and if deemed advisable, to pass the following resolution:

"RESOLVED, as an ordinary resolution, THAT:

1. the new stock option plan, to be designated the "2017 Stock Option Plan", in the form attached to the Company's management information circular dated November 14, 2017, subject to any amendments made by the directors of the Company prior to and presented for approval at the meeting (the "**2017 Stock Option Plan**"), be and the same is hereby adopted and approved and that the directors of the Company be and are hereby authorized to make such amendments or revisions to the 2017 Stock Option Plan from time to time after the meeting, without further shareholder approval, as may be required by the TSX Venture Exchange or any other stock exchange upon which the Company's shares may be listed for trading in order to cause the 2017 Stock Option Plan to fully comply with the requirements of the TSX Venture Exchange or such other exchange and to fully carry out this resolution;

2. all options to acquire common shares of the Company previously issued by the Company to directors, officers, employees and consultants of the Company or any subsidiary of the Company and currently outstanding shall be deemed to have been granted and issued under the 2017 Stock Option Plan and otherwise be governed by the terms and conditions of the 2017 Stock Option Plan, subject to the specific terms and conditions as to exercise price, vesting periods, if any, and expiry dates as are currently applicable to such options;

3. the reservation under the 2017 Stock Option Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of the stock option pursuant to the 2017 Stock Option Plan be and the same is hereby authorized and approved; and

4. any one director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents, agreements and instruments, and to do all such other acts and things as such director or officer may, in his discretion, determine to be necessary or advisable to give effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such documents, agreements or instruments or the doing of any such act or thing."

Recommendation of the Board

The Board unanimously recommends that the Shareholders vote in favour of adopting and approving the 2017 Stock Option Plan.

Unless the Shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the adoption and approval of the 2017 Stock Option Plan, the persons named in the enclosed Proxy will vote FOR the adoption and approval of the 2017 Stock Option Plan.

ADOPTION OF ADVANCE NOTICE PROVISIONS

Background and Purpose of Advance Notice Provisions

The Board believes it is in the interests of the Company amend its Articles to incorporate advance notice provisions (the "**Advance Notice Provisions**") for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of shareholders.

The purpose of the Advance Notice Provisions is to (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of shareholders of the Company. The Advance Notice Provisions also fix a deadline by which holders of record of Shares of the Company must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Company for any director nominee to be eligible for election at such annual or special meeting of shareholders.

A copy of the proposed Advance Notice Provisions is attached to this Information Circular as Exhibit "B".

Terms of the Advance Notice Provisions

The following is a brief summary of certain provisions of the Advance Notice Provisions and is qualified in its entirety by the full text of the Advance Notice Provisions which is attached to this Information Circular as Exhibit "B".

1. Other than pursuant to: (i) a "proposal" made in accordance with Division 7 of the *Business Corporations Act* (British Columbia) (the "**Act**"); or (ii) a requisition of the shareholders made in accordance with section 167 of the Act, shareholders of the Company must give advance written notice to the Company of any nominees for election to the Board.

2. The Advance Notice Provisions fix a deadline by which holders of record of Shares of the Company must submit, in writing, nominations for directors to the Secretary of the Company prior to any annual or special meeting of shareholders and sets forth the specific information that such holders must include with their nominations in order to be effective including, but not limited to, the name, age, citizenship, business and residential address of the nominee, the present principal occupation, business or employment of the nominee within the preceding five years, and the number of Share beneficially owned or controlled by the nominee. Unless nominated in accordance with the provisions of the Advance Notice Provisions, no person will be eligible for election as a director of the Company.

3. For an annual meeting of shareholders, notice to the Company must be not less than 30 prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement.

4. For a special meeting of shareholders (that is not also an annual meeting), notice to the Company must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made.

For the purposes of the Advance Notice Provisions, "public announcement" means disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on SEDAR at www.sedar.com.

The Board of the Company may, in its sole discretion, waive any requirement of the Advance Notice Provisions.

Shareholder Approval of Advance Notice Provisions

The alteration of the Company's articles to incorporate the Advance Notice Provisions requires the affirmative vote of not less than two-thirds (2/3) of the votes cast at the Meeting by shareholders of the Company, present in person or by proxy. Accordingly, the Shareholders will be asked to consider and, if deemed advisable, to pass, with or without amendment, the following special resolution:

"RESOLVED, as a Special Resolution, THAT:

(a) the articles of the Company be altered to incorporate as Section 14.12 thereof, the advance notice provisions (the "**Advance Notice Provisions**") set out in Exhibit "B" of the Company's management information circular dated November 14, 2017 mailed to the Company's shareholders in connection with the annual general and special meeting of shareholders called for December 13, 2017 (the "**Meeting**") effective as of 12:01 a.m. (Pacific time) on the day immediately following the date of the Meeting;

(b) any one director or officer of the Company be and is hereby authorized and directed to do all such acts and things and to execute and deliver, under the corporate seal of the Company or otherwise, all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give full effect to these resolutions or as may be required to carry out the full intent and meaning thereof; and

(c) the board of directors of the Company is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the above resolutions without further approval, ratification or confirmation by the shareholders."

Recommendation of the Board

The Board unanimously recommends that the Shareholders vote in favour of altering the Company's articles to incorporate the Advance Notice Provisions.

Unless the Shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the alteration of the Company's articles to incorporate the Advance Notice Provisions, the persons named in the enclosed Proxy will vote FOR the adoption and approval of the Advance Notice Provisions.

PART 4 – EXECUTIVE COMPENSATION

As defined under applicable securities legislation, the Company had three "Named Executive Officers" during the financial year ended March 31, 2017 as set out below:

Richard Silas	-	Chief Executive Officer
Michael Waldkirch	-	Chief Financial Officer
Ross Wilmot	-	former CEO/CFO

Definitions: For the purpose of this Information Circular:

"**CEO**" means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**CFO**" means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

"**company**" includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

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

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

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

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

(a) a CEO;
(b) a CFO;
(c) each of the three most highly compensated executive officers of the Company, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102, for that financial year; and
(d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

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

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

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

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

Compensation Discussion and Analysis

During fiscal 2015 and 2016 and for the first half of fiscal 2017, the Company was inactive with no material assets and very limited funds. In an effort to converse cash to maintain the Company's financial filings and listing on the NEX Board of the TSXV in good standing, the Company's then executive officers agreed to forego payment of any management fees or salaries pending completion of a reactivation plan by the Company.

In August, 2016, Ross Wilmot resigned as CEO and CFO of the Company and Richard Silas and Michael Waldkirch were appointed CEO and CFO, respectively, in his place. Kurt Lahey and Kenneth Taylor also resigned as directors of the Company and were replaced by Jeffrey O'Neill and Mark McCartney. During the same month, the Company completed a working capital private placement of $350,000 and in October, 2017 the Company completed a further private placement for $880,000. In December 2016, the Company entered into a mining lease over 123 unpatented lode mining claims comprising approximately 2,200 acres situated 26 kilometres northwest of Elko, Nevada (see news release dated December 16, 2016) and in August 2017 the Company entered into arm's length definitive agreements to acquire, by way of option up to a 67.5% undivided interest in 286 unpatented mining lode claims comprising approximately 5,223.71 acres (2,113.96 hectares) located in Santa Cruz County, Arizona (the "**Sunnyside Property**") owned indirectly by Regal Resources Inc. ("**Regal**"), a British Columbia reporting issuer, in consideration for a combination of cash and Shares of the Company (see news release dated August 15, 2017). See also Part 2 "*Voting Shares and Principal Holders Thereof*" above. In conjunction with the acquisition of the Sunnyside Property, the Company completed a non-brokered private placement financing of 13,530,000 common shares at a price of $0.40 for gross proceeds of $5,412,000 and on October 11, 2017 the Company's shares were re-listed for trading on Tier 2 of the TSXV as mining issuer. Glenn Kumoi and Peter McRae joined the Board on October 11, 2017 thereby completing the Company's reactivation plan (collectively the "**Reactivation Plan**").
The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company's Named Executive Officers following the Reactivation Plan.

The Company's policies on compensation for its Named Executive Officers are intended to provide appropriate compensation for executives that is internally equitable, externally competitive and reflects individual achievements in the context of the Company. The overriding principles in establishing executive compensation provide that compensation should:

(a) reflect fair and competitive compensation commensurate with an individual's experience and expertise in order to attract and retain highly qualified executives;

(b) reflect recognition and encouragement of leadership, entrepreneurial spirit and team work;

(c) reflect an alignment of the financial interests of the executives with the financial interest of the Company's shareholders;

(d) include stock options and, in certain circumstances, bonuses to reward individual performance and contribution to the achievement of corporate performance and objectives;

(e) reflect a contribution to enhancement of the Company's shareholder value; and

(f) provide incentive to the executives to continuously improve operations and execute on corporate strategy.

Goals and Objectives

Given the Company's current size and stage of development, the Board has not appointed a formal compensation committee and accordingly the Board as a whole is responsible for determining the compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting in respect of their own compensation thereby providing the independent members of the Board with considerable input as to executive compensation.

The Board will review, on an annual basis, the corporate goals and objectives relevant to executive compensation, evaluate each executive officer's performance in light of those goals and objectives and set the executive officer's

compensation level based, in part, on this evaluation. The Board will take into consideration the Company's overall performance, shareholder returns and the awards given to executive officers in past years. The Board may also consider the value of similar incentive awards to executive officers at comparable junior resource companies listed on the TSXV or other exchanges, however, as of the date of this Information Circular, no specific companies or selection criteria for the establishment of a benchmark group have been identified by the Board.

The Board's compensation philosophy is aimed at attracting and retaining quality and experienced people which is critical to the success of the Company and includes a "pay-for-performance" element which supports the Company's commitment to delivering strong performance for the shareholders.

Executive Compensation Program

Executive compensation will be comprised of three elements: base fee or salary, short-term incentive compensation (discretionary cash bonuses) and long-term incentive compensation (share options). The Board will review all three components in assessing the compensation of individual executive officers and of the Company as a whole.

Base fees or salaries and bonuses (discretionary) are intended to provide current compensation and a short-term incentive for executive officers to meet the Company's goals, as well as to remain competitive with the industry. Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the executive officers. Executive officers will also be eligible to receive discretionary bonuses as determined by the Board from time to time based on each officer's responsibilities, his achievement of individual and corporate objectives and the Company's financial performance. Cash bonuses are intended to reward the executive officers for meeting or exceeding the individual and corporate performance objectives set by the Board.

The Board recognizes that the Company operates in a highly competitive environment when it comes to recruiting and retaining executives with high calibre skills and experience and that recruiting and retaining qualified personnel is critical to the Company's success. However, the Board also recognizes the uncertain capital markets for junior resource issuers and the need to balance competitive executive compensation packages against available cash resources.

Stock options are an important part of the Company's long-term incentive strategy for its officers, permitting them to participate in any appreciation of the market value of the Company's shares over a stated period of time, and are intended to reinforce commitment to long-term growth and shareholder value. Stock options reward overall corporate performance, as measured through the price of the Company's shares and enable executives to acquire and maintain a significant ownership position in the Company. Stock options also represent an additional form of compensation to the Company's Named Executive Officers without directly impacting the Company's cash resources.

Option Based Awards

Executive officers of the Company, as well as directors, employees and consultants, will be eligible to participate in the Company's stock option plan to receive grants of stock options. Individual stock options will be granted by the Board as a whole and the size of the options will be dependent on, among other things, each officer's level of responsibility, authority and importance to the Company and the degree to which such officer's long term contribution to the Company will be crucial to its long-term success.

Stock options will normally granted by the Board when an executive officer first joins the Company based on his or her level of responsibility within the Company. Additional grants may be made periodically to ensure that the number of options granted to any particular officer is commensurate with the officer's level of ongoing responsibility within the Company and to provide an additional form of non-cash compensation. The Board will also evaluate the number of options an officer has been granted, the exercise price of the options and the term remaining on those options when considering further grants. Options are usually priced at the closing trading price of the Company's shares on the business day immediately preceding the date of grant and the current policy of the Board is that options expire two to five years from the date of grant.

See Part 3 "THE BUSINESS OF THE MEETING – Adoption of New 2017 Stock Option Plan" for details of the material terms of the Company's proposed 2017 Stock Option Plan.

Summary Compensation Table

The following table sets out certain information respecting the compensation paid to each CEO and CFO and the three most highly compensated executive officers, other than the CEO and CFO, whose total compensation was more than $150,000, in the most recently completed financial year ended March 31, 2017 for each of the Company's three most recently completed financial years. These individuals are referred to collectively as the "Named Executive Officers" or "NEOs".

Name and principal position	Year Ended March 31	Salary ($)	Share based Awards	Option Based Awards	Non-equity incentive plan compensation		Pension Value	All other Compensation ($) [1]	Total Compensation
					Annual Incentive Plans	Long-Term Incentive Plans			
Richard Silas CEO [2]	2017	9,000 [3]	Nil	Nil	Nil	Nil	Nil	Nil	9,000
Michael Waldkirch CFO [4]	2017	18,500 [5]	Nil	Nil	Nil	Nil	Nil	Nil	18,500
Ross Wilmot (former CEO and CFO) [6]	2017	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) The value of perquisites received by each of the Named Executive Officers, including property or other personal benefits provided to the Named Executive Officers that are not generally available to all employees, were not in the aggregate greater than $50,000 or 10% of the Named Executive Officer's total compensation for the fiscal year.

(2) Mr. Silas was appointed President and CEO of the Company on August 26, 2016.

(3) This amount was paid to a private company controlled by Mr. Silas in respect of management fees.

(4) Mr. Waldkirch was appointed CFO of the Company on August 26, 2016.

(5) This figure represents the fees paid to a private company controlled by Mr. Waldkirch for management fees (as to $9,000) and professional accounting services (as to $9,500).

(6) Mr. Wilmot resigned as CEO and CFO of the Company on August 26, 2016 in advance of the Company's Reactivation Plan. See "*Compensation Discussion and Analysis*" above.

Plan Awards

Outstanding Share-Based Awards and Option-Based Awards

There were no option-based or share-based awards outstanding for the Named Executive Officers at March 31, 2017.

Incentive Plan Awards – Value Vested or Earned During the Year

No option-based awards or share-based awards were vested in and no non-equity incentive plan compensation was earned by the Named Executive Officer during the financial year ended March 31, 2017.

Pension Plan Benefits

The Company does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

Termination and Change of Control Benefits

As of the date of this Information Circular, the Company has not entered into any compensatory plans, contracts or arrangements with any of its Named Executive Officers whereby such officers are entitled to receive compensation as a result of the resignation, retirement or any other termination of employment of the Named Executive Officer with the Company or from a change in control of the Company or a change in the Named Executive Officer's responsibilities following a change in control.

Compensation of Directors

Director Compensation Table

The following table sets forth information regarding the compensation paid to the Company's non-executive directors, other than directors who are also Named Executive Officers listed in the "Summary Compensation Table" above, during the fiscal year ended March 31, 2017.

Name	Fees earned ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation ($)	All other compensation ($)	Total ($)
Jeffrey O'Neill [(1)]	Nil	Nil	Nil	Nil	Nil	Nil
Mark McCartney [(2)] (former director)	Nil	Nil	Nil	Nil	Nil	Nil
Kurt Lahey [(3)] (former director)	Nil	Nil	Nil	Nil	Nil	Nil
Kenneth Taylor [(4)] (former director)	Nil	Nil	Nil	Nil	Nil	Nil
TOTAL	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**

(1) Mr. O'Neill was appointed as a director of the Company on August 26, 2016.

(2) Mr. McCartney was appointed as a director of the Company on August 26, 2016 and subsequently resigned on October 11, 2017.

(3) Mr. Lahey resigned as a director of the Company on August 26, 2016 in advance of the Company's Reactivation Plan. See "*Compensation Discussion and Analysis*" above.

(4) Mr. Taylor resigned as a director of the Company on August 26, 2016 in advance of the Company's Reactivation Plan. See "*Compensation Discussion and Analysis*" above.

Share-based awards, option-based awards and non-equity incentive plan compensation

There were no option-based or share-based awards outstanding for the non-executive directors of the Company as at March 31, 2017.

No option-based awards or share-based awards were vested in and no non-equity incentive plan compensation was earned by the non-executive directors of the Company during the financial year ended March 31, 2017.

Future Director Compensation

During the fiscal year ended March 31, 2017, there was no standard arrangement in place pursuant to which the non-executive directors were compensated by the Company for their services as directors. However, having completed its Reactivation Plan, the Board anticipates that the non-executive directors will now begin receiving a modest director's fee in their capacities as directors of Company, which fee will be reviewed annually by the Board.

Non-executive directors will also entitled to reimbursement of reasonable expenditures incurred in performing their duties as directors and to participate in the Company's stock option plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants will be

determined by an assessment of each individual director's current and expected future performance, level of responsibilities and the importance of his position and contribution to the Company. See "*Compensation Discussion and Analysis – Options Based Awards*" above.

PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following information is as of March 31, 2017, the Company's most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	Nil	N/A	1,354,558
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	**Nil**	**N/A**	**1,354,558**

As of the date of this Information Circular, the Company's only equity compensation plan is its "rolling" stock option plan for directors, officers, employees and consultants of the Company. See Part 3 "THE BUSINESS OF THE MEETING – *Adoption of New 2017 Stock Option Plan*" for details of the material terms of the Company's proposed new 2017 Stock Option Plan.

PART 6 – AUDIT COMMITTEE

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**") requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with the Company's external auditor as set forth below.

1. The Audit Committee Charter

The Company's audit committee is governed by an audit committee charter, the text of which is attached as Exhibit "C" to this Information Circular.

2. Composition of Audit Committee

The Company's audit committee is currently comprised of three directors, Glenn Kumoi (Chair), Peter McRae and Jeffrey O'Neill. All three members of the Company's audit committee are considered "independent" as that term is defined in applicable securities legislation.

All three members also have the ability to read and understand 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 Company's financial statements and are therefore considered "financially literate".

Messrs. Kumoi and McRae were appointed to the Company's audit committee in October, 2017 following completion of the Company's Reactivation Plan. Prior to that, the Company's audit committee was comprised of Richard Silas, Mark McCartney and Jeffrey O'Neill.

3. Relevant Education and Experience

All of the audit committee members are business persons with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

Glenn Kumoi, B.A, LL B., is Vice President General Counsel and Corporate Secretary of Gold Standard Ventures Corp. ("**Gold Standard**") (TSX; NYSE-American). Mr. Kumoi is also a lawyer and executive leader with extensive experience in the areas of financing, project development, mergers and acquisitions, corporate governance and legal compliance. In the 20 years prior to joining Gold Standard in 2017, Glenn was the VP General Counsel and Corporate Secretary of three other public companies including Rubicon Minerals Corporation and Ballard Power Systems. During that time, Glenn was a key part of the executive teams who raised in aggregate over $700 million.

Peter McRae, B.S. in finance and J.D., is Senior Vice President, Corporate Affairs of Americas Silver Corp. (TSX; NYSE-American). He has led the execution of this company's corporate development and financing efforts. Previously, Mr. McRae was an attorney at Weil, Gotshal & Manges LLP, based in New York, in the firm's corporate department representing some of the largest organizations and private equity firms in the world. Peter is a member of the New York and Ontario Bars and holds a certificate in Mining Law.

Jeffrey O'Neill is President and owner of JMO Enterprises Ltd., a private consulting firm specializing in acquiring mineral exploration projects in Canada and the USA. From 2007 to 2013 Mr. O'Neill acted as Regional Sales Manager, Western Canada, for Primus Business Solutions. In 2003, Jeff co-founded Momentum Conferencing solutions, the largest Canadian reseller of voice collaboration solutions, and acted as its Vice President of Sales until 2007.

4. Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year ended March 31, 2017, the Board has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

5. Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year ended March 31, 2017, the Company has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

6. Pre-Approval Policies and Procedures

All non-audit services which are proposed to be provided by the Company's external auditor are subject to the prior approval of the audit committee, provided that the audit committee may delegate to one or more independent members the authority to approve non-audit services if such services are presented to the full audit committee at its next scheduled meeting. The audit committee may also satisfy the requirement for pre-approval of non-audit services if (i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than 5% of the total amount of fees paid by the Company and its subsidiaries to the external auditor during the applicable fiscal year, (ii) the services are brought to the attention of, and approved prior to completion of the audit by, the audit committee or by one or more of its members to whom authority to grant such approval has been delegated, or (iii) by adopting specific policies and procedures for the engagement of non-audit services provided that such policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee's responsibilities to management.

7. External Audit Service Fees (By Category)

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

The fees paid by the Company to Davidson & Company LLP, the Company's current auditor, and Manning Elliott LLP, the Company's former auditor, for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

Financial Period Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
March 31, 2017 (1)	10,200	Nil	Nil	Nil
March 31, 2016 (2)	8,000	Nil	1,750	Nil

(1) Paid to Davidson & Company LLP. Davidson & Company LLP was appointed auditor of the Company effective July 5, 2017.

(2) Paid to Manning Elliott LLP. Manning Elliott LLP resigned as auditor of the Company effective July 5, 2017.

8. Exemption

The Company is relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Company, as a venture issuer, is not required to comply with Part 5 (Reporting Obligations) of NI 52-110.

PART 7 – CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Company. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* ("**NP 58-201**") establishes corporate governance guidelines, which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted.

National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") also requires the Company to disclose annually in its Information Circular certain information concerning its corporate governance practices. As a "venture issuer" the Company is required to make such disclosure with reference to the requirements of Form 58-101F2, which disclosure is set forth below.

1. Board of Directors

Structure and Composition

The Board is currently composed of four directors.

NP 58-201 suggests that the board of directors of every listed company 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 company. "Material relationship" is defined as a relationship which could, in the view of the Company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board is responsible for determining whether a director is an independent director. Of the current directors, Richard Silas is not an independent director because of his positions as President, Chief Executive Officer and Corporate Secretary. On the other hand, Glenn Kumoi, Peter McRae and Jeffrey O'Neill are considered to be independent directors of the Company as they have no ongoing interest or material relationship with the Company other than their shareholdings and stock options in the Company and serving as directors.

Accordingly, the Board is comprised of a majority of independent Board members.

Mandate of the Board

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

The Board delegates to management, through the Named Executive Officers, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company's business in the ordinary course, managing the Company's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

The Board is currently comprised of a majority of independent directors thus providing the independent directors with significant input and leadership in exercising their responsibilities for independent oversight of management. In addition, each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances and the "independent" directors have the ability to meet independently of management whenever deemed necessary.

Directorships

As of the date of this Information Circular, the directors of the Company are currently directors and/or executive officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows.

Name of Director	Name of Other Reporting Issuer	Market/Tier	Position	Period
Richard Silas	Consolidated Westview Resource Corp.	TSXV – NEX	President, CEO and Director	Since March 2013
Glenn Kumoi	Gold Standard Ventures Corp.	TSX NYSE-American	VP General Counsel and Corporate Secretary	Since June 2017
Peter McRae	Americas Silver Corporation	TSX NYSE-American	SVP, Corporate Affairs, CLO and Corporate Secretary	Since November 2011 (with predecessor companies)
Jeffrey O'Neill	N/A	N/A	N/A	N/A

The above information has been provided by the directors and has not been independently verified by the Company.

Ethical Business Conduct

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

The Board itself must comply with the conflict of interest provisions of the *Business Corporations Act* (British Columbia), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

To date, the Board has not adopted a formal written Code of Business Conduct and Ethics having found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate and securities legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company and its shareholders. In addition, the limited size of the Company's operations and the small number of officers and employees has allowed the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. As the Issuer grows in size and scope, the Board anticipates that it will formulate and implement a formal Code of Business Conduct and Ethics.

Nomination and Assessment

Given its current size and stage of development, the Board has not appointed a nominating committee and these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the Chief Executive Officer, and proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

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

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly mineral resource companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records. Reference is made to the table under the heading "*Election of Directors*" in Part 3 "THE BUSINESS OF THE MEETING" for a description of the current principal occupations of the Company's Board.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an ad hoc basis.

Committees of the Board of Directors

At the present time, the Board of the Company has appointed one formal committee, being the Audit Committee.

The audit committee is currently comprised of Glenn Kumoi (Chair), Peter McRae and Jeffrey O'Neill and is primarily responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Company, as well as internal controls to achieve the objectives of safeguarding the Company's assets; reliability of information; and compliance with policies and laws. See Part 6 "AUDIT COMMITTEE" for further information

regarding the mandate of the Company's audit committee, its specific authority, duties and responsibilities, as well as the Audit Committee Charter.

As the Company grows, and its operations and management structure become more complex, the Board will likely find it appropriate to constitute additional standing committees, such as a Corporate Governance Committee, Compensation Committee and Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

Compensation

At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee and the Board as a whole is responsible for determining all forms of compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and to the directors to ensure such arrangements reflect the responsibilities and risks associated with each position. In addition, any compensation to be paid to executive officers who are also directors must be approved by the disinterested directors thereby providing the independent directors with significant input into compensation decisions.

See Part 4 "EXECUTIVE COMPENSATION" above for details of the compensation paid to the Company's Named Executive Officers and a discussion of the Company's philosophy, objectives and processes with respect to executive compensation.

PART 8 – OTHER INFORMATION

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Aggregate Indebtedness

No individual who is, or at any time during the most recently completed financial year of the Company was, a director or officer of the Company, no proposed nominee for election as a director of the Company, and no associate of any one of them is, or at any time since the beginning of the most recently completed financial year of the Company has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which would constitute routine indebtedness) or to another entity (where such indebtedness to such other entity is, or was at any time during the most recently completed financial year of the Company, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries).

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

As of the date hereof, there is no indebtedness owing to the Company, any of its subsidiaries or any other entity (where such indebtedness to such other entity is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries) in connection with the purchase of securities or otherwise by any current or former executive officers, directors or employees of the Company or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than disclosed elsewhere in this Information Circular and below, no informed person (as defined below), proposed nominee for election as a director, or any associate or affiliate of any informed person or proposed nominee, has had a material interest, direct or indirect, in any transaction with the Company or any of its subsidiaries or in any proposed transaction since the beginning of the last completed financial year that has materially affected the Company or any of its subsidiaries or is likely to do so.

On October 5, 2017, as part of its Reactivation Plan, the Company completed a non-brokered private placement financing of 13,530,000 common shares at a price of $0.40 per share for gross proceeds of $5,412,000. Certain informed persons participated in such private placement as follows.

Name of Informed Person	Position	Number of Shares	Aggregate Purchase Price
Richard Silas	President and CEO	100,000	$40,000
Glenn Kumoi	Director	125,000	$50,000
Peter McRae	Director	75,000	$30,000
Michael Waldkirch	CFO	125,000 (1)	$50,000

(1) These shares were purchased through a private company controlled by Mr. Waldkirch.

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

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON AT THE MEETING

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors, the adoption and approval of the 2017 Stock Option Plan and any interest arising from the ownership of shares of the Company where the shareholder will receive no extra or special benefit or advantage not shared on a pro-rata basis by all holders of common shares in the capital of the Company.

MANAGEMENT CONTRACTS

The management functions of the Company are performed by its directors and executive officers and the Company has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Company. See Part 4 "EXECUTIVE COMPENSATION" for details of the fees paid to the Company's Named Executive Officers.

OTHER MATTERS

Management of the Company is not aware of any other matters to come before the Meeting other than as set forth in the Notice of Meeting that accompanies this Information Circular. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

OTHER MATERIAL FACTS

There are no other material facts other than as disclosed herein.

ADDITIONAL INFORMATION

Financial information about the Company is provided in its comparative financial statements and Management's Discussion and Analysis for the year ended March 31, 2017. You may obtain copies of such documents without charge upon request to us at #610 – 815 West Hastings Street, Vancouver, B.C., Canada V6C 1B4 – telephone (778) 588 - 7139 / facsimile (604) 687 - 3567. You may also access such documents, together with the Company's additional disclosure documents, through the Internet on the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

BOARD APPROVAL

The Board of the Company has approved the contents and the delivery of this Information Circular to its Shareholders.

DATED at Vancouver, British Columbia, as of the 14th day of November, 2017.

BY ORDER OF THE BOARD

(signed) ***"Richard S. Silas"***

Richard S. Silas
President and Chief Executive Officer

EXHIBIT "A"

2017 STOCK OPTION PLAN

See attached.

BARKSDALE CAPITAL CORP.

2017 STOCK OPTION PLAN

1. Objectives

The Plan is intended as an incentive to attract and retain qualified directors, senior officers, Employees, Management Company Employees, Consultants and Consultant Companies of the Company and its Affiliates, to promote a proprietary interest in the Company and its Affiliates among such persons, and to stimulate the active interest of such persons in the development and financial success of the Company and its Affiliates.

2. Definitions

2.1 As used in the Plan, the terms set forth below shall have the following respective meanings:

(a) "**Affiliate**" means an affiliate as defined in the Securities Act and includes issuers that are similarly related, whether or not any of the issuers are companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;

(b) "**Associate**" means an associate as defined in the Securities Act;

(c) "**Black Out Period**" means a temporary period during which Optionees may not exercise their Options;

(d) "**Board**" means the board of directors of the Company;

(e) "**Change in Control**" means:

(i) any merger or amalgamation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction;

(ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(y)(iii) and other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;

(iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;

(iv) any sale, transfer or other disposition of all or substantially all of the assets of the Company;

(v) a complete liquidation or dissolution of the Company; or

(vi) any transaction or series of transactions involving the Company or any of its Affiliates that the Board in its discretion deems to be a Change in Control;

(f) "**Committee**" means the Compensation Committee of the Board or such other committee of the Board to which the Board has delegated responsibility for administration of the Plan or, if the Board has not made such delegation, "Committee" shall mean the Board;

(g) "**Company**" means Barksdale Capital Corp., a company existing under the *Business Corporations Act* (British Columbia);

(h) "**Consultant**" means, in relation to the Company, an individual or Consultant Company, other than an Employee or a Director/Officer of the Company, that:

(i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a distribution of securities;

(ii) provides the services under a written contract between the Company or the Affiliate of the Company and the individual or the Consultant Company;

(iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and

(iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company;

(i) "**Consultant Company**" means, for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;

(j) "**Date of Grant**" means the date an Option is granted by the Committee to the Optionee, subject to any regulatory or other approvals or conditions;

(k) "**Directors/Officers**" means directors, senior officers or Management Company Employees of the Company or any subsidiary of the Company;

(l) "**Employee**" means:

(i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada);

(ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

(m) **"Exchange"** means the TSXV or, if the Shares are not listed on the TSXV, any other stock exchange on which the Shares are listed (if the Shares are traded on more than one stock exchange, then the stock exchange on which a majority of Shares are traded);

(n) "**Insider**" in relation to the Company means:

(i) a director or senior officer of the Company;

(ii) a director or senior officer of a company that is an Insider or subsidiary of the Company; or

(iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares;

(o) "**Investor Relations Activities**" means any activities, by or on behalf of the Company or a shareholder of the Company, that promote or reasonably could be expected to promote the purchase or sale of securities of the Company, except for such activities that the Exchange specifically states to not be Investor Relations Activities;

(p) "**Management Company Employee**" means an individual employed by an entity providing management services to the Company, which are required for the ongoing successful operation of the business enterprise of the Company, but excluding an entity engaged in Investor Relations Activities;

(q) "**Market Price**" in relation to a Share subject to an Option on the Date of Grant of the Option means:

(i) if the Company is listed on the TSXV, the last closing price of the Shares on the TSXV before such Date of Grant; or

(ii) if the Shares are not listed on the TSXV, the volume weighted average trading price of the Shares for the five trading days (on which at least one board lot of the Shares was traded) before such Date of Grant on such other stock exchange or securities market on which Shares are listed as is selected by the Board;

(r) "**Merger and Acquisition Transaction**" means:

(i) any merger;

(ii) any acquisition;

(iii) any amalgamation;

(iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or

(v) any arrangement or other scheme of reorganization;

that results in a Change in Control;

(s) "**Option**" means an option to purchase Shares granted under or subject to the terms of the Plan, including the Pre-Plan Options;

(t) "**Option Agreement**" means a written agreement between the Company and an Optionee that sets forth the terms, conditions and limitations applicable to an Option;

(u) "**Option Period**" means the period during which an Option may be exercised;

(v) "**Optionee**" means a person to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;

(w) "**Plan**" means this Stock Option Plan of the Company;

(x) "**Pre-Plan Options**" has the meaning set forth in section 4.2;

(y) "**Related Group of Persons**" in respect of a person means:

(i) the person together with any one or more of the person's Associates or Affiliates; and

(ii) any two or more persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:

(A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Company; or

(B) the exercise of voting rights attached to the securities of the Company beneficially owned by such persons, or over which such persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Company;

(iii) despite the above Section 2.1(y)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Company, and not executing principal transactions for its own account or performing services beyond customary dealer's functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons;

(z) "**Securities Act**" means the *Securities Act* (British Columbia), as amended from time to time;

(aa) "**Shares**" means common shares in the capital of the Company; and

(bb) "**TSXV**" means the TSX Venture Exchange (or any successor stock exchange thereof).

3. Administration of the Plan

3.1 The Plan shall be administered by the Committee. With respect to Option grants to directors of the Company, the Board shall serve as the Committee. With respect to any other Options the Board may specifically constitute a committee of two or more directors of the Company as the Board may designate from time to time to serve as the Committee for the Plan, all of the members of which shall be and remain directors of the Company. Notwithstanding the foregoing, the Board may resolve to be the Committee to administer the Plan with respect to all of the Plan or certain participants and/or awards made or to be made under the Plan.

3.2 The Committee shall have full and exclusive power to interpret the Plan, to adopt such rules, regulations and guidelines for carrying out the Plan as it may deem necessary or proper, all of which powers shall be exercised in the best interests of the Company and in keeping with the objectives of the Plan, and to reserve and issue Shares issuable pursuant to the exercise of Options. The Committee may, in its discretion but subject to any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company, provide for the extension of the exercisability of an Option, accelerate the vesting or exercisability of any Option, eliminate or make less restrictive any restrictions contained in an Option, waive any restriction or other provision of the Plan or an Option or otherwise amend or modify an Option in any manner that is either (a) not adverse to the Optionee holding such Option or (b) consented to by such Optionee. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan or in any Option in the manner and to the extent the Committee deems necessary or desirable to carry it into effect. Any decision of the Committee in the interpretation and administration of the Plan shall lie within its sole and absolute discretion and shall be final, conclusive and binding on all parties concerned. No member of the Committee shall be liable for anything done or omitted to be done by such member, by any member of the Committee or by any officer of the Company in connection with the

performance of any duties under the Plan, except for such member's own wilful misconduct or as expressly provided by statute.

3.3 All administrative costs of the Plan shall be paid by the Company.

4. Eligibility

4.1 Options may be granted to Employees, Directors/Officers and Consultants (and Consultant Companies as may be permitted by the Exchange) who are in the opinion of the Committee in a position to contribute to the success of the Company or any of its Affiliates or who, by virtue of their service to the Company or any predecessors thereof or to any of its Affiliates are, in the opinion of the Committee, worthy of special recognition. The granting of Options is entirely discretionary and nothing in this Plan shall be deemed to give any person any right to participate in this Plan or to be granted an Option and designation of an Optionee in any year shall not require the designation of such person to receive an Option in any other year. The Committee shall consider such factors as it deems pertinent in selecting participants and in determining the amount and terms of their respective Options.

4.2 Any options previously granted by the Company (the "**Pre-Plan Options**") which remain outstanding as at the effectiveness of the Plan will be deemed to have been issued under and will be governed by the terms of the Plan and, in the event of any inconsistency between the terms of the agreements governing the Pre-Plan Options and the terms of the Plan, the terms of such agreements shall govern. Any Shares issuable upon exercise of the Pre-Plan Options will be included for the purpose of calculating the amounts set out in sections 5 and 6 hereof.

4.3 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in exchange for outstanding options granted by the Company or any predecessor company thereof or any Affiliate thereof, whether such outstanding options are granted under the Plan, under any other stock option plan of the Company or any predecessor company or any Affiliate thereof, or under any stock option agreement with the Company or any predecessor corporation or Affiliate thereof.

4.4 Subject to any applicable regulatory approvals, Options may also be granted under the Plan in substitution for outstanding options of another company in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other company and the Company or any of its subsidiaries.

5. Number of Shares Reserved under the Plan

The maximum aggregate number of Shares issuable pursuant to the exercise of Options granted under the Plan from time to time, when combined with all of the Company's other security based compensation arrangements, shall not exceed in aggregate 10% of the Company's Shares issued and outstanding at the time of grant (including Shares issuable upon exercise of any Pre-Plan Options assumed by the Plan upon its effectiveness pursuant to section 20 hereof), provided that:

(a) if any Shares covered by an Option subject to the Plan are forfeited, or if an Option has expired, terminated or been cancelled for any reason whatsoever, then the Shares covered by such Option shall again be, or shall become, Shares with respect to which Options may be granted hereunder, and

(b) such maximum number of Shares shall be appropriately adjusted in the event of any subdivision or consolidation of the Shares.

6. Number of Optioned Shares per Optionee

6.1 The determination regarding the number of Shares that may be the subject of Options granted to each Optionee pursuant to an Option will be made by the Committee and will take into consideration the Optionee's present and potential contribution to the success of the Company and applicable legal and regulatory requirements.

6.2 For so long as the Company is listed on the TSXV, grants under the Plan shall be subject to the following limitations:

(a) Subject to sections 6.2(b) and 6.2(c), the aggregate number of Shares that may be reserved for issuance pursuant to the Plan, or as incentive stock options, to any one Optionee in a 12-month period must not exceed 5% of the issued and outstanding Shares (determined at the Date of Grant), unless, as may be required by the TSXV, disinterested shareholder approval is obtained;

(b) The number of Shares subject to Options granted to any one Consultant in a 12-month period must not exceed 2% of the issued and outstanding Shares (determined at the Date of Grant);

(c) The aggregate number of Shares subject to Options granted to all Optionees who are employed to provide Investor Relations Activities must not exceed 2% of the issued and outstanding Shares in any 12-month period (determined at the Date of Grant);

(d) The number of Options granted to Insiders within a 12-month period to acquire Shares reserved for issuance under the Plan must not exceed 10% of the issued and outstanding Shares, unless, as may be required by the TSXV, disinterested shareholder approval is obtained; and

(e) Subject to any longer vesting period as may be set out in the related Option Agreement, an Option granted to a Consultant performing Investor Relations Activities shall vest in stages over not less than 12 months with no more than 25% of the Shares subject to the Option vesting in any three-month period.

7. Price

7.1 The exercise price per Share subject to an Option shall be determined by the Committee at the time the Option is granted, provided that the exercise price shall not be less than the Market Price less applicable discounts permitted by the Exchange, or such other minimum exercise price as may be required by the Exchange.

7.2 Subject to applicable regulatory requirements and approval, the Committee may reprice the prevailing exercise price of an Option. Any reduction in the exercise price of an Option held by an Optionee who is an Insider at the time of the proposed amendment is, however, subject to disinterested shareholder approval if and as required by the Exchange.

8. Term and Exercise of Options

8.1 The Option Period shall be determined by the Committee at the time the Option is granted and may be up to ten years from the Date of Grant. The Option Period is also subject to reduction pursuant to the provisions of section 10. Subject to the applicable maximum Option Period provided for in this section 8.1 and subject to applicable regulatory requirements and approvals, the Committee may extend the Option Period for an Option. Notwithstanding anything contained herein, if the Option Period expires during a Black Out Period or within 2 business days of a Black Out Period, the Option Period shall be extended to 10 days from the end of the Black Out Period.

8.2 Subject to subsection 6.2(e), the vesting schedule for each Option shall be determined by the Committee at the time the Option is granted and shall be specified in the Option Agreement in respect of the Option.

8.3 Notwithstanding section 8.1 or 8.2 above, if there is a takeover bid or tender offer made for all or any of the issued and outstanding Shares, then the Committee may, by resolution, permit all Options outstanding to become immediately exercisable in order to permit the Shares issuable under such Options to be tendered to such bid or offer.

8.4 The vested portion of Options will be exercisable, either all or in part, at any time after vesting. If less than all of the Shares included in the vested portion of any Option are purchased, the remainder may be purchased, subject to the Option's terms, at any subsequent time prior to the expiration of the Option Period.

8.5 The exercise of any Option will be contingent upon receipt by the Company of payment for the full exercise price of the Shares being purchased in cash by way of certified cheque, bank draft or wire transfer. No Optionee or the legal representatives, legatees or distributees of the Optionee will be, or will be deemed to be, a holder of any Shares subject to an Option under the Plan unless and until certificates for such Shares are issued to the Optionee or such other persons under the terms of the Plan.

9. Stock Option Agreement

Upon the grant of an Option to an Optionee, the Company and the Optionee shall enter into an Option Agreement setting out the number of Shares subject to the Option, the exercise price per Share, the Option Period, and the vesting schedule for the Option, if any, and incorporating the terms and conditions of the Plan and any other requirements of applicable regulatory authorities and such other terms and conditions as the Committee may determine are necessary or appropriate, subject to the terms of the Plan. Without limiting the generality of the foregoing and if and for so long as the Company is listed on the TSXV, for Options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and representing in an Option Agreement that the Optionee is a bona fide Employee, Consultant or Management Company Employee, as the case may be.

10. Effect of Termination of Employment or Death

10.1 Options granted to any Optionee who is a Director/Officer, Employee, Consultant or Consultant Company shall expire on the earlier of: (a) such date within a reasonable period of time, not to exceed one year, after the Optionee ceases to be in at least one of such categories as provided for in the Option Agreement with the Optionee, and (b) the expiry of the Option Period, provided that if the Director/Officer, Employee, Consultant or Consultant Company is terminated by the Company for cause, breach of contract or breach of fiduciary duty, the Options granted to such Director/Officer, Employee, Consultant or Consultant Company shall expire immediately upon such termination.

10.2 Notwithstanding section 10.1, in the event of the death of an Optionee while in service to the Company, each outstanding Option to the extent not previously exercised (including in respect of the right to purchase Shares not otherwise vested at such time) shall be exercisable until the earlier of (a) the expiration of one year following such death unless an earlier date is provided for in the Option Agreement with the Optionee, and (b) the expiry of the Option Period, but only by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or by the laws of descent and distribution.

10.3 Notwithstanding the foregoing provisions of this Section 10 and subject to any applicable regulatory requirements and approvals, the Committee may, in its discretion, provide for the extension of the exercisability of an Option for any period that is not beyond the applicable expiration date thereof, accelerate the vesting or exercisability of an Option, eliminate or make less restrictive any restrictions governing an Option, waive any restriction or other provision of this Plan or an Option or otherwise amend or modify the Option in any manner that is either (a) not adverse to such Optionee or (b) consented to by such Optionee.

11. Adjustment in Shares Subject to the Plan

11.1 The exercise price for and the number of Shares covered by an Option will be adjusted, with respect to the then unexercised portion thereof, by the Committee from time to time (on the basis of such advice as the Committee considers appropriate, including, if considered appropriate by the Committee, a certificate of the auditor of the Company) in the event and in accordance with the provisions and rules set out in this Section 11. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Committee, and any such determination will be binding on the Company, the Optionee and all other affected parties.

(a) In the event that a dividend is declared upon the Shares, payable in Shares (other than in lieu of dividends paid in the ordinary course), the number of Shares then subject to any Option shall be adjusted by adding to each such Share the number of Shares which would be distributable thereon if such Share had been outstanding on the date fixed for determining shareholders entitled to receive such stock dividend.

(b) In the event that the outstanding Shares are changed into or exchanged for a different number or kind of Shares or other securities of the Company or of another corporation, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then there shall be substituted for each Share subject to any Option the number and kind of Shares or other securities of the Company or another corporation into which each outstanding Share shall be so changed or for which each such Share shall be exchanged.

(c) In the event that there is any change, other than as specified above in this Section 11, in the number or kind of outstanding Shares or of any securities into which such Shares shall have been changed or for which they shall have been exchanged, then, if the Committee, in its sole discretion, determines that such change equitably requires an adjustment to be made in the number or kind of Shares then subject to any Option, an equitable adjustment shall be made in the number or kind of Shares, such adjustment shall be made by the Committee and be effective and binding for all purposes.

(d) In the event that the Company distributes by way of a dividend, or otherwise, to all or substantially all holders of Shares, property, evidences of indebtedness or shares or other securities of the Company (other than Shares) or rights, options or warrants to acquire Shares or securities convertible into or exchangeable for Shares or other securities or property of the Company, other than as a dividend in the ordinary course, then, if the Committee, in its sole discretion, determines that such action equitably requires an adjustment in the exercise price of the Option or number of Shares subject to any Option, or both, such adjustment shall be made by the Committee and shall be effective and binding for all purposes.

11.2 In the case of any such substitution or adjustment as provided for in this Section 11, the exercise price in respect of each Option for each Share covered thereby prior to such substitution or adjustment will be proportionately and appropriately varied, such variation shall generally require that the number of Shares or securities covered by the Option after the relevant event multiplied by the varied option exercise price be equal to the number of Shares covered by the Option prior to the relevant event multiplied by the original exercise price of the Option.

11.3 No adjustment or substitution provided for in this Section 11 shall require the Company to issue a fractional share in respect of any Option. Fractional shares shall be eliminated.

11.4 The grant of an Option shall not affect in any way the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets

11.5 In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Committee shall determine in an appropriate and equitable manner:

(a) any adjustment to the number and type of Shares that thereafter shall be made the subject of Options; and

(b) the number and type of Shares subject to outstanding Options; and

(c) the manner in which all unvested Options granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Options by the participants, the time for the fulfilment of any conditions or restrictions on such vesting, and the time for the expiry of such Options.

Subsections (a) through (c) of this section 11.5 may be utilized independently of, successively with, or in combination with each other and Section 11, and nothing therein contained shall be construed as limiting or affecting the ability of the Committee to deal with Options in any other manner. All determinations by the Committee under this Section 11 will be final, binding and conclusive for all purposes.

11.6 Notwithstanding anything else in this Plan, any unvested Options issued to a participant at the time of a Merger and Acquisition Transaction shall immediately vest if either (i) the participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Company within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Committee, acting reasonably, determines that an adjustment to the number and type of Shares resulting from a Merger and Acquisition Transaction is impractical or impossible. In the event this Section is applicable, the Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of Options.

12. Non-Assignability

All Options, benefits and rights accruing to any Optionee in accordance with the terms and conditions of the Plan are non-assignable and non-transferable, except as specifically provided in section 10.2 in the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.

13. Employment

Nothing contained in the Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with, or the provision of services to, the Company or any of its Affiliates, or interfere in any way with the right of the Company or any of its Affiliates to terminate the Optionee's employment or services at any time. Participation in the Plan by an Optionee is voluntary.

14. Record Keeping

The Company shall maintain a register in which shall be recorded or maintained:

(a) the name and address of each Optionee;

(b) the number of Shares subject to Options granted to each Optionee, the number of Shares issued to each Optionee upon the exercise of Options, and the number of Shares subject to Options remaining outstanding;

(c) a copy of each outstanding Option Agreement; and

(d) such other information as the Committee may determine.

15. Regulatory Approvals

15.1 The Plan is subject to the approval of regulatory authorities having, or which may have, jurisdiction over the securities of the Company including, but not limited to, the Exchange, and the Board is authorized to amend the text thereof from time to time in order to comply with any changes thereto required by such applicable regulatory authorities.

15.2 The obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchange or stock quotation system on which the Shares are listed for trading or quoted which may be required in connection with the authorization, issuance or sale of such Shares by the Company. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any exercise price for an Option paid to the Company shall be returned to the Optionee.

16. Hold Periods, Securities Regulation and Tax Withholding

16.1 If and for so long as the Company is listed on the TSXV and in addition to any resale restrictions under applicable securities laws, for Options issued by the Company to Insiders or Options having an exercise price per Share that is less than the Market Price, any Options, or Shares issued on the exercise of such Options, will be subject to a four-month hold period commencing on the particular Date of Grant of the Option, and certificates for the Shares will bear a restrictive legend setting out any such applicable hold period.

16.2 Where necessary to effect exemption from registration or distribution of the Shares under securities laws applicable to the securities of the Company, an Optionee shall be required, upon the acquisition of any Shares upon the exercise of Options, to acquire such Shares with investment intent (i.e. for investment purposes) and not with a view to their distribution, and to present to the Committee an undertaking to that effect in a form acceptable to the Committee. The Committee may cause a legend or legends to be placed upon any certificates for the Shares to make appropriate reference to applicable resale restrictions. The Committee may take such other action or require such other action or agreement by such Optionee as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the underlying Shares under any securities laws applicable to the securities of the Company.

16.3 The Committee and the Company may take all such measures as they deem appropriate to ensure that the Company's obligations under the withholding provisions under income tax laws applicable to the Company and other provisions of applicable laws are satisfied with respect to the issuance of Shares pursuant to the Plan or the grant or exercise of Options under the Plan. Without limiting the generality of the foregoing, the Company may, as a condition to the exercise of any Option, require that the Optionee pay to the Company, concurrently with the payment of the full exercise price of the Shares being purchased, by way of certified cheque, bank draft or wire transfer, an amount in cash equal to any withholding taxes that the Company is required to remit to the Canada Revenue Agency on account of payroll withholding obligations (including, but not limited to, income tax, UIC and/or CPP) as a result of the exercise of the Option by the Optionee.

16.4 Issuance, transfer or delivery of certificates for Shares purchased pursuant to the Plan may be delayed, at the discretion of the Committee, until the Committee is satisfied that the applicable requirements of securities and income tax laws have been met.

17. Amendment and Termination of Plan

17.1 The Board reserves the right to amend or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the Optionee. Any amendment to the Plan shall also be subject to any necessary approvals of any stock exchange or regulatory body having jurisdiction over the securities of the Company and, where applicable, the approval of the shareholders of the Company.

17.2 The types of amendments that do not require the approval of the shareholders of the Company include, but are not limited to:

(a) amendments of a ''housekeeping'' nature, including those required to clarify any ambiguity or rectify any inconsistency in the Plan;

(b) amendments made pursuant to section 17.1 hereof to comply with any changes required by applicable regulatory authorities having jurisdiction over securities of the Company from time to time including, but not limited to, the Exchange or other mandatory provisions of applicable law;

(c) amendments which are advisable to accommodate changes in tax laws;

(d) the extension of accelerated expiry dates to, but not beyond, the expiry date originally set at the time of the Option grant;

(e) amendments to the vesting provisions of any Option granted under the Plan; and

(f) amendments to the terms of Options in order to maintain Option value in connection with an adjustment in the Shares of the Company as contemplated in section 11 hereof.

17.3 Notwithstanding the provisions of section 17.2, the Board may not, without the prior approval of the shareholders of the Company, make amendments to the Plan for any of the following purposes:

(a) to increase the maximum number of Shares issuable under the Plan as set out in section 5;

(b) subject to section 17.4, to reduce the exercise price of any outstanding Options held by an Insider;

(c) subject to section 17.4, to extend the Option Period of any outstanding Options held by an Insider, except where the Option Period is extended because it would have occurred during a Black Out Period;

(d) to amend the Plan to permit the grant of an Option with an Option Period of more than 10 years from the Date of Grant;

(e) to amend the non-assignability provision contained in section 12 hereof, except as otherwise permitted by the Exchange or for estate planning or estate settlement purposes;

(f) to expand the class of Optionees to whom Options may be granted under the Plan; and

(g) to amend this Section 17.3.

17.4 The Board may amend any Option with the consent of the affected Optionee and the Exchange, including any shareholder approval required by the Exchange. For greater certainty, disinterested shareholder approval is required for: (i) a reduction in the exercise price of an Option if the Optionee is an Insider at the time of the proposed amendment; or (ii) an extension of the Option Period of an Option if the Optionee is an Insider at the time of the proposed amendment.

17.5 If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

18. No Representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

19. General Provisions

19.1 Nothing contained in the Plan shall prevent the Company or any of its Affiliates from adopting or continuing in effect other compensation arrangements, which may, but need not, provide for the issuance of securities of the Company (subject to shareholder approval if such approval is required by applicable securities regulatory authorities) and such arrangements may be either generally applicable or applicable only in specific cases.

19.2 The validity, construction and effect of the Plan and any rules and regulations relating to the Plan and any Option Agreement, and all determinations made and actions taken pursuant hereto shall be governed by and determined in accordance with the laws of the Province of British Columbia, Canada.

19.3 If any provision of the Plan or any Option is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person or Option and the remainder of the Plan and any such Option shall remain in full force and effect.

19.4 Neither the Plan nor any Option shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any of its Affiliates and an Optionee or any other person.

19.5 Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

20. Effective Date of the Plan

20.1 Subject to the ratification and approval of the Plan by the shareholders of the Company and all necessary regulatory approvals pursuant to section 15 hereof, the Plan will be effective as of the 14th day of November, 2017.

Adopted by the Board of Directors on November 14, 2017.

EXHIBIT "B"

ADVANCE NOTICE PROVISIONS

"**14.12 Nomination of Directors**

(a) Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the board of directors may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors:

(i) by or at the direction of the board, including pursuant to a notice of meeting;

(ii) by or at the direction or request of one or more shareholders pursuant to a "proposal" made in accordance with Division 7 of Part 5 of the *Act*, or a requisition of the shareholders made in accordance with section 167 of the *Act*; or

(iii) by any person (a "**Nominating Shareholder**"), (A) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this §14.12 and at the close of business on the record date for notice of such meeting, is entered in the central securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth below in this §14.12.

(b) In addition to any other requirements under applicable laws, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given prior notice thereof that is both timely (in accordance with paragraph (c) below) and in proper written form (in accordance with paragraph (d) below) to the Secretary of the Company at the principal executive offices of the Company.

(c) To be timely, a Nominating Shareholder's notice to the Secretary of the Company must be made:

(i) in the case of an annual general meeting of shareholders, not less than 30 days before the meeting date;

(ii) in the case of an annual general meeting held on a date less than 50 days after the first public announcement of the meeting date (the "**Notice Date**"), not later than 10 days following the Notice Date; and

(iii) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than 15 days following the day on which the first public announcement of the date of the special meeting of shareholders was made.

(d) To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Company must set forth:

(i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the present principal occupation, business or employment of the person within the preceding five years, as well as the name and principal business of any company in which such employment is carried on; (C) the citizenship of such person; (D) the class or series and number of shares in the capital of the Company which are controlled or which are owned beneficially or of record by the person as of the record date for the

meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (E) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and

(ii) as to the Nominating Shareholder giving the notice, full particulars regarding any proxy, contract, agreement, arrangement or understanding pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws.

(e) No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of this §14.12; provided, however, that nothing in this §14.12 shall be deemed to restrict or preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter that is properly before such meeting pursuant to the provisions of the Act or the discretion of the Chairman. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

(f) For purposes of this §14.12:

(i) "**Applicable Securities Laws**" means the applicable securities legislation of each province and territory of Canada in which the Company is a reporting issuer, as amended from time to time, the rules, regulations and forms made or promulgated under any such legislation and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission or similar regulatory authority of each such province and territory of Canada; and

(ii) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Company under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com.

(g) Notwithstanding any other provision of this §14.12, notice given to the Secretary of the Company pursuant to this §14.12 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery at the address of the principal executive offices of the Company, email at the address as aforesaid (provided that receipt of confirmation of such email has been received) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Pacific time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

Notwithstanding the foregoing, the board of directors may, in its sole discretion, waive any requirement in this §14.12."

For the purposes of the foregoing advance notice provisions "*Act*" means the *Business Corporations Act* (British Columbia) in force from time to time and all amendments thereto and includes all regulations and amendments thereto made pursuant to such Act.

EXHIBIT "C"

CHARTER FOR THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

Approved by Directors Resolution
effective July 15, 2005

BARKSDALE CAPITAL CORP.

(the "Company")

AUDIT COMMITTEE CHARTER

1. Mandate

The audit committee will assist the board of directors (the "Board") in fulfilling its financial oversight responsibilities. The audit committee will review and consider in consultation with the auditors the financial reporting process, the system of internal control and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board, management, and the external auditors. To effectively perform his or her role, each committee member must obtain an understanding of the principal responsibilities of committee membership as well and the company's business, operations and risks.

2. Composition

The Board will appoint from among their membership an audit committee after each annual general meeting of the shareholders of the Company. The audit committee will consist of a minimum of three directors.

2.1 Independence

A majority of the members of the audit committee must not be officers, employees or control persons of the Company.

2.2 Expertise of Committee Members

Each member of the audit committee must be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the committee. The Board shall interpret the qualification of financial literacy expertise in its business judgment and shall conclude whether a director meets this qualification.

3. Meetings

The audit committee shall meet in accordance with a schedule established each year by the Board, and at other times that the audit committee may determine. The audit committee shall meet at least annually with the Company's Chief Financial Officer and external auditors in separate executive sessions.

4. Roles and Responsibilities

The audit committee shall fulfill the following roles and discharge the following responsibilities:

4.1 External Audit

The audit committee shall be directly responsible for overseeing the work of the external auditors in preparing or issuing the auditor's report, including the resolution of disagreements between management and the external auditors regarding financial reporting and audit scope or procedures. In carrying out this duty, the audit committee shall:

(a) recommend to the Board the external auditor to be nominated by the shareholders for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company;

(b) review (by discussion and enquiry) the external auditors' proposed audit scope and approach;

(c) review the performance of the external auditors and recommend to the Board the appointment or discharge of the external auditors;

(d) review and recommend to the Board the compensation to be paid to the external auditors; and

(e) review and confirm the independence of the external auditors by reviewing the non-audit services provided and the external auditors' assertion of their independence in accordance with professional standards.

4.2 Internal Control

The audit committee shall consider whether adequate controls are in place over annual and interim financial reporting as well as controls over assets, transactions and the creation of obligations, commitments and liabilities of the Company. In carrying out this duty, the audit committee shall:

(a) evaluate the adequacy and effectiveness of management's system of internal controls over the accounting and financial reporting system within the Company; and

(b) ensure that the external auditors discuss with the audit committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.

4.3 Financial Reporting

The audit committee shall review the financial statements and financial information prior to its release to the public. In carrying out this duty, the audit committee shall:

General

(a) review significant accounting and financial reporting issues, especially complex, unusual and related party transactions; and

(b) review and ensure that the accounting principles selected by management in preparing financial statements are appropriate.

Annual Financial Statements

(c) review the draft annual financial statements and provide a recommendation to the Board with respect to the approval of the financial statements;

(d) meet with management and the external auditors to review the financial statements and the results of the audit, including any difficulties encountered; and

(e) review management's discussion & analysis respecting the annual reporting period prior to its release to the public.

Interim Financial Statements

(f) review and approve the interim financial statements prior to their release to the public; and

(g) review management's discussion & analysis respecting the interim reporting period prior to its release to the public.

Release of Financial Information

(h) where reasonably possible, review and approve all public disclosure, including news releases, containing financial information, prior to its release to the public.

4.4 Non-Audit Services

All non-audit services (being services other than services rendered for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements) which are proposed to be provided by the external auditors to the Company or any subsidiary of the Company shall be subject to the prior approval of the audit committee.

Delegation of Authority

(a) The audit committee may delegate to one or more independent members of the audit committee the authority to approve non-audit services, provided any non-audit services approved in this manner must be presented to the audit committee at its next scheduled meeting.

De-Minimis Non-Audit Services

(b) The audit committee may satisfy the requirement for the pre-approval of non-audit services if:

(i) the aggregate amount of all non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount

of fees paid by the Company and its subsidiaries to the external auditor during the fiscal year in which the services are provided; or

(ii) the services are brought to the attention of the audit committee and approved, prior to the completion of the audit, by the audit committee or by one or more of its members to whom authority to grant such approvals has been delegated.

Pre-Approval Policies and Procedures

(c) The audit committee may also satisfy the requirement for the pre-approval of non-audit services by adopting specific policies and procedures for the engagement of non-audit services, if:

(i) the pre-approval policies and procedures are detailed as to the particular service;

(ii) the audit committee is informed of each non-audit service; and

(iii) the procedures do not include delegation of the audit committee's responsibilities to management.

4.5 Other Responsibilities

The audit committee shall:

(a) establish procedures for the receipt, retention and treatment of complaints received by the company regarding accounting, internal accounting controls, or auditing matters;

(b) establish procedures for the confidential, anonymous submission by employees of the company of concerns regarding questionable accounting or auditing matters;

(c) ensure that significant findings and recommendations made by management and external auditor are received and discussed on a timely basis;

(d) review the policies and procedures in effect for considering officers' expenses and perquisites;

(e) perform other oversight functions as requested by the Board; and

(f) review and update this Charter and receive approval of changes to this Charter from the Board.

4.6 Reporting Responsibilities

The audit committee shall regularly update the Board about committee activities and make appropriate recommendations.

5. Resources and Authority of the Audit Committee

The audit committee shall have the resources and the authority appropriate to discharge its responsibilities, including the authority to

(a) engage independent counsel and other advisors as it determines necessary to carry out its duties;

(b) set and pay the compensation for any advisors employed by the audit committee; and

(c) communicate directly with the internal and external auditors.

6. Guidance – Roles & Responsibilities

The following guidance is intended to provide the Audit Committee members with additional guidance on fulfilment of their roles and responsibilities on the committee:

6.1 Internal Control

(a) evaluate whether management is setting the goal of high standards by communicating the importance of internal control and ensuring that all individuals possess an understanding of their roles and responsibilities;

(b) focus on the extent to which external auditors review computer systems and applications, the security of such systems and applications, and the contingency plan for processing financial information in the event of an IT systems breakdown; and

(c) gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.

6.2 Financial Reporting

General

(a) review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements; and

(b) ask management and the external auditors about significant risks and exposures and the plans to minimize such risks; and

(c) understand industry best practices and the Company's adoption of them.

Annual Financial Statements

(d) review the annual financial statements and determine whether they are complete and consistent with the information known to committee members, and assess whether

the financial statements reflect appropriate accounting principles in light of the jurisdictions in which the Company reports or trades its shares;

(e) pay attention to complex and/or unusual transactions such as restructuring charges and derivative disclosures;

(f) focus on judgmental areas such as those involving valuation of assets and liabilities, including, for example, the accounting for and disclosure of loan losses; warranty, professional liability; litigation reserves; and other commitments and contingencies;

(g) consider management's handling of proposed audit adjustments identified by the external auditors; and

(h) ensure that the external auditors communicate all required matters to the committee.

Interim Financial Statements

(i) be briefed on how management develops and summarizes interim financial information, the extent to which the external auditors review interim financial information;

(j) meet with management and the auditors, either telephonically or in person, to review the interim financial statements; and

(k) to gain insight into the fairness of the interim statements and disclosures, obtain explanations from management on whether:

(i) actual financial results for the quarter or interim period varied significantly from budgeted or projected results;

(ii) changes in financial ratios and relationships of various balance sheet and operating statement figures in the interim financials statements are consistent with changes in the company's operations and financing practices;

(iii) generally accepted accounting principles have been consistently applied;

(iv) there are any actual or proposed changes in accounting or financial reporting practices;

(v) there are any significant or unusual events or transactions;

(vi) the Company's financial and operating controls are functioning effectively;

(vii) the Company has complied with the terms of loan agreements, security indentures or other financial position or results dependent agreement; and

(viii) the interim financial statements contain adequate and appropriate disclosures.

6.3 Compliance with Laws and Regulations

(a) periodically obtain updates from management regarding compliance with this policy and industry "best practices";

(b) be satisfied that all regulatory compliance matters have been considered in the preparation of the financial statements; and

(c) review the findings of any examinations by securities regulatory authorities and stock exchanges.

6.4 Other Responsibilities

(a) review, with the company's counsel, any legal matters that could have a significant impact on the company's financial statements.