

**BONTERRA RESOURCES INC.**

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**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON DECEMBER 12, 2017**

NOTICE IS HEREBY GIVEN that the 2017 annual general meeting (the “**Meeting**”) of the shareholders of Bonterra Resources Inc. (the “**Company**”) will be held at Suite 1680, 200 Burrard Street, Vancouver, British Columbia, V6C 3L6, on Tuesday, December 12, 2017, at 8:00 a.m. (Pacific time) for the following purposes:

1. To receive the audited consolidated financial statements of the Company for the year ended May 31, 2017 and the report of the auditor thereon.
2. To set the number of directors for the ensuing year at six.
3. To elect directors for the ensuing year.
4. To appoint the auditor of 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 fit, pass an ordinary resolution ratifying and confirming the Company’s stock option plan, as more particularly described in the Company’s management information circular dated November 9, 2017 accompanying this Notice of Meeting (the “**Information Circular**”).
6. To transact such other business as may properly come before the Meeting or any adjournments thereof.

This Notice is accompanied by the 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 7, 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 8:00 a.m. (Pacific time) on December 8, 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 Trust Company of Canada.

DATED at Vancouver, British Columbia, as of the 9<sup>th</sup> day of November, 2017.

**BONTERRA RESOURCES INC.**

By: *Nav Dhaliwal*

**President and Chief Executive Officer**

# BONTERRA RESOURCES INC.

## INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of November 9, 2017.

This Information Circular is in respect of the annual general meeting (the “**Meeting**”) of the shareholders of **Bonterra Resources Inc.** (the “**Company**”) to be held on December 12, 2017, at the time and place set out in the accompanying Notice of Meeting. **This Information Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting and any adjournment of the Meeting.** The Board of Directors of the Company (the “**Board**”) has fixed the close of business on November 7, 2017, as the record date (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.

### **PART 1 – PROXY INSTRUCTIONS**

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#### **MANAGEMENT SOLICITATION AND APPOINTMENT OF PROXIES**

The persons named in the form of proxy are nominees of the Company’s management. **A shareholder has the right to appoint a person (who need not be a shareholder) to attend and act for and on the shareholder’s behalf at the Meeting other than the persons designated as proxyholders in the form of proxy.** To exercise this right, the shareholder must either:

- (a) on the form of proxy, strike out the printed names of the individuals specified as proxyholders and insert the name of the shareholder’s nominee in the blank space provided; or
- (b) complete another proper form of proxy.

To be valid, a proxy must be dated and signed by the shareholder or by the shareholder’s attorney authorized in writing. In the case of a corporation, the proxy must be 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 the proxy was signed or a notarially certified copy of the power of attorney or other authority, must be delivered to Computershare Trust Company of Canada (“**Computershare**”), 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1; fax within North America: 1-866-249-7775; fax outside North America: 416-263-9524, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or any adjournment thereof. Computershare also offers voting via the Internet. Instructions for Internet voting can be found on the enclosed form of proxy or voting instruction form.

#### **REVOCABILITY OF PROXIES**

A shareholder who has given a proxy may revoke it at any time before the proxy is exercised:

- (a) by an instrument in writing that is:
  - (i) signed by the shareholder, the shareholder’s attorney authorized in writing or, where the shareholder is a corporation, a duly authorized officer or attorney of the corporation; and
  - (ii) delivered to Computershare or to the Company’s registered and records office at Suite 400, 725 Granville Street, Vancouver, British Columbia, V7Y 1G5, at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting, or delivered to the Chairperson of the Meeting on the day of the Meeting or any adjournment of the Meeting before any vote on a matter in respect of which the proxy is to be used has been taken; or
- (b) in any other manner provided by law.

## **EXERCISE OF DISCRETION BY PROXYHOLDERS**

A shareholder may indicate the manner in which the persons named in the form of proxy are to vote with respect to a matter to be acted upon at the Meeting by marking the appropriate space. **If the instructions as to voting indicated in the proxy are certain, the shares represented by the proxy will be voted or withheld from voting on any ballot that may be called for in accordance with the instructions given in the proxy.**

**If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the shares represented will be voted or withheld from the vote on that matter accordingly. If no choice is specified in the proxy with respect to a matter to be acted upon, the proxy confers discretionary authority with respect to that matter upon the proxyholder named in the form of proxy. It is intended that the proxyholder named by management in the form of proxy will vote the shares represented by the proxy in favour of each matter identified in the proxy and for the nominees of the Company for directors and auditor.**

The form of proxy also confers discretionary authority upon the named proxyholder with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to any other matters which may properly come before the Meeting. As of the date of this Information Circular, management of the Company is not aware of any such amendments or variations, or any other matters that will be presented for action at the Meeting other than those set out herein and referred to in the Notice of Meeting. If, however, other matters that are not now known to management properly come before the Meeting, then the persons named in the form of proxy intend to vote on them in accordance with their best judgment.

## **SOLICITATION OF PROXIES**

It is expected that solicitations of proxies will be made primarily by mail and possibly supplemented by telephone or other personal contact by directors, officers, employees and consultants of the Company without special compensation. The Company will not reimburse shareholders' nominees or agents (including brokers holding shares on behalf of clients) for the costs incurred in obtaining authorization to execute forms of proxy from their principals. The cost of solicitation will be borne by the Company.

## **ADVICE TO BENEFICIAL SHAREHOLDERS**

**ONLY REGISTERED SHAREHOLDERS OR DULY APPOINTED PROXYHOLDERS ARE PERMITTED TO VOTE AT THE MEETING. SHAREHOLDERS WHO DO NOT HOLD THEIR SHARES IN THEIR OWN NAME (REFERRED TO AS "NON-REGISTERED SHAREHOLDERS") ARE ADVISED THAT ONLY PROXIES FROM SHAREHOLDERS OF RECORD CAN BE RECOGNIZED AND VOTED AT THE MEETING.** Non-Registered Shareholders who complete and return an instrument of proxy or voting instruction form must indicate thereon the person (usually a brokerage house) who holds their shares as a registered shareholder.

If securities are listed in an account statement provided to a shareholder by a broker, then in almost all cases those securities will not be registered in such shareholder's name on the records of the Company and will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such securities are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Securities held by brokers or their nominees can only be voted (for or against resolutions) upon the instructions of the beneficial shareholder. Without specific instructions, brokers/nominees are prohibited from voting securities for their clients.

If you are a Non-Registered Shareholder and Computershare has sent Meeting materials directly to you, your name and address and information about your shareholdings have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. Such shareholders can expect to receive a scannable voting instruction form ("**VIF**") with this Meeting material. The VIF is to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described in the VIF. Computershare will tabulate the results of the VIFs received from beneficial shareholders and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. **A NON-REGISTERED SHAREHOLDER RECEIVING A VIF CANNOT USE THAT VIF TO VOTE SECURITIES DIRECTLY AT THE MEETING. THE VIF MUST BE RETURNED TO COMPUTERSHARE WELL IN ADVANCE OF THE MEETING IN ORDER TO HAVE THE SHARES VOTED.**

Non-Registered Shareholders who have objected to their broker/nominee disclosing ownership information about themselves to the Company are referred to as objecting beneficial owners (“OBOs”). In accordance with securities regulatory policy, we will have distributed copies of the required Meeting materials to the brokers/nominees for onward distribution to OBOs. THE COMPANY DOES NOT INTEND TO PAY FOR A BROKER/NOMINEE TO DELIVER MEETING MATERIALS TO OBOs. THEREFORE, AN OBO WILL NOT RECEIVE THE MATERIALS UNLESS THE OBO’S BROKER/NOMINEE ASSUMES THE COSTS OF DELIVERY. Brokers/nominees are required to forward the Meeting materials to each OBO unless the OBO has waived the right to receive them. Every broker/nominee has its own mailing procedures and provides its own return instructions, which should be carefully followed by OBOs in order to ensure that their securities are voted at the Meeting. Often the form of proxy supplied to a beneficial shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders; however, its purpose is limited to instructing the registered shareholder how to vote on behalf of the beneficial shareholder.

Should a Non-Registered Shareholder receiving a form of proxy or VIF wish to vote at the Meeting, the Non-Registered Shareholder should strike out the names of the management proxyholders named in the form and insert the Non-Registered Shareholder’s name in the blank provided and return the materials to the broker or Computershare as directed and well before the Meeting date.

## 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), its directors and its 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

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The Company has only one class of shares entitled to be voted at the Meeting, namely, common shares without par value (each a “Share”). All issued Shares are entitled to be voted at the Meeting and each has one vote. As of November 7, 2017, there were 189,963,420 Shares issued and outstanding.

Only shareholders of record on November 7, 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, no 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, except as follows:

Name	Number of Common Shares Held	Percentage of Total Issued and Outstanding Common Shares
2176423 Ontario Ltd. <sup>(1)</sup>	19,044,500	10.03%
Van Eck Associates Corporation	22,760,500 <sup>(2)</sup>	11.98%

(1) Beneficially owned by Eric Sprott.

(2) Represents holdings in accounts over which Van Eck Associates Corporation has investment authority.

## PART 3 - THE BUSINESS OF THE MEETING

### CONSOLIDATED FINANCIAL STATEMENTS

The audited consolidated financial statements of the Company for the year ended May 31, 2017, will be placed before you at the Meeting. These consolidated financial statements and management's discussion and analysis are also available for review on SEDAR. See Part 8 "OTHER INFORMATION – Additional Information" below.

### SETTING NUMBER OF DIRECTORS

Management proposes to nominate the persons named under the heading "Election for Directors" 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 six (6). 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 six (6).**

### ELECTION OF DIRECTORS

The Board presently consists of six (6) directors. At the Meeting, it is proposed to maintain the number of directors elected at six (6), 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 six (6) 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 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 number of Shares 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.

<b>Name, Province/State and Country of Residence and Position with Company</b>	<b>Present Principal Occupation<sup>(1)(2)</sup></b>	<b>Director Since</b>	<b>Shares Owned</b>
<b>Nav Dhaliwal</b> <sup>(3)</sup> British Columbia, Canada <i>President, Chief Executive Officer, and Director</i>	President, CEO and director of the Company; President of RSD Capital Corp.	February 15, 2012	1,498,675 <sup>(4)</sup>
<b>R. Dale Ginn</b> <sup>(5)</sup> Ontario, Canada <i>Vice President, Exploration and Director</i>	Independent Geological Consultant; Vice President, Exploration and director of the Company.	March 18, 2015	75,000
<b>P. Joseph Meagher, CPA, CA</b> <sup>(5)(6)</sup> British Columbia, Canada <i>Chief Financial Officer and Director</i>	CFO and director of the Company; CFO and/or director of several publicly listed companies	December 29, 2014	20,000
<b>Robert Gagnon</b> <sup>(3)(6)</sup> Quebec, Canada <i>Director</i>	Geological Consultant; director of the Company; President and CEO of Khalkos Exploration Inc.	October 10, 2012	Nil

Name, Province/State and Country of Residence and Position with Company	Present Principal Occupation <sup>(1)(2)</sup>	Director Since	Shares Owned
<b>Richard Boulay, B.Sc.</b> <sup>(3)(5)(6)</sup> Alberta, Canada <i>Director</i>	Consulting geologist; director of the Company; director of Pacton Gold Inc.	December 8, 2015	30,000
<b>Allan J. Folk</b> Ontario, Canada <i>Director</i>	Vice President of Brant Securities Ltd. since July, 2007; interim CEO and director of Monarca Minerals Inc. since January, 2013; Chairman and director of Atlanta Gold Inc. since June, 2009	April 2, 2017	125,000 <sup>(7)</sup>

- (1) Information as to principal occupation, not being within the knowledge of the Company, has been furnished by the respective directors individually.
- (2) Unless otherwise stated above, any nominee named above not elected at the last annual general meeting has held the principal occupation or employment indicated for at least five years.
- (3) Member of the Audit Committee.
- (4) 52,500 Shares held by Mr. Dhaliwal; 1,446,175 Shares held by RSD Capital Corp., a company wholly owned by Mr. Dhaliwal.
- (5) Member of the Nominating and Corporate Governance Committee.
- (6) Member of the Compensation Committee.
- (7) Held by Nalla Investments Ltd., a company controlled by Mr. Folk.

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.

### **Corporate Cease Trade Orders or Bankruptcy**

As at the date of this Information Circular, and within the last 10 years before the date of this Information Circular, no proposed director (or any of their personal holding companies) of the Company was a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade or similar order or an order denying the relevant company access to any exemptions under securities legislation, for more than 30 consecutive days while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (b) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation in each case for a period of 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer in the company and which resulted from an event that occurred while that person was acting in the capacity as director, executive officer or chief financial officer; or
- (c) is as at the date of this Information Circular or has been within 10 years before the date of this Information Circular, a director or executive officer of any company, including the Company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (d) has within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager as trustee appointed to hold the assets of that individual.

### **Conflicts of Interest**

The directors of the Company 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 primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, 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 except that certain of the directors, officers, promoters and other members of management now or may in the future serve as directors, officers, promoters and members of management of other public companies, some of which are or may be involved in the exploration and development of natural resources, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of the Company and their duties as a director, officer, promoter or member of management of such other companies.

## **APPOINTMENT OF THE AUDITOR**

At the Meeting, 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 Crowe MacKay LLP, Chartered Accountants, be appointed as the Company's auditor for the ensuing year, at a remuneration to be fixed by the Board of Directors.”

**Unless such authority is withheld, the persons named in the enclosed form of proxy intend to vote FOR the appointment of Crowe MacKay LLP, Chartered Accountants, to serve as auditor of the Company until the next annual general meeting of the Company's shareholders and to authorize the Board to fix the remuneration to be paid to the auditor.**

## **ANNUAL RATIFICATION OF STOCK OPTION PLAN**

TSX Venture Exchange (“TSXV”) policy 4.4 (“**Policy 4.4**”) specifies that all listed issuers must implement a stock option plan. The Company's current stock option plan, which was adopted by shareholders on December 19, 2016 (the “**Option Plan**”), is a “rolling” plan as characterized by TSXV policy, 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. TSXV policy requires that shareholder approval for “rolling” stock option plans must be obtained annually. Accordingly, at the Meeting, shareholders will be asked to ratify and approve the Option Plan.

The following is a summary of the principal terms of the Option Plan.

The Option Plan provides that stock options may be granted to directors, officers, employees and consultants of the Company (and any subsidiary of the Company) and management company employees. For the purposes of the Option Plan, the terms “employees”, “consultants” and “management company employees” have the meanings set out in Policy 4.4. In addition, the term “director” is defined in Policy 4.4 to include directors, senior officers and management company employees.

Under the Option Plan, the Company's Board may from time to time designate a director or senior officer or employee of the Company as administrator (the “**Administrator**”) for the purposes of administering the Option Plan. The Administrator is Nav Dhaliwal.

The Option Plan provides for the issuance of stock options to acquire at any time up to a maximum of 10% of the issued and outstanding Shares of the Company (subject to standard anti-dilution adjustments). If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares reserved for issuance under that expired or terminated stock option will again be available for the purposes of the Option Plan. Any stock option outstanding when the Option Plan is terminated will remain in effect until it is exercised or it expires.

The Option Plan provides that it is solely within the discretion of the Board to determine who should receive stock options and in what amounts, subject to the following conditions:

- (a) options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder's death;

- (b) options may be exercisable for a maximum of ten years from the date of grant;
- (c) options to acquire no more than 5% of the issued Shares of the Company may be granted to any one person (including companies wholly-owned by such person) in any 12 month period;
- (d) options to acquire no more than 2% of the issued Shares of the Company may be granted to any one consultant in any 12 month period;
- (e) options to acquire no more than an aggregate of 2% of the issued Shares of the Company may be granted to an employee conducting “**Investor Relations Activities**” (as defined in TSXV Policy 1.1), in any 12 month period;
- (f) at no time will options be issued which could permit at any time the aggregate number of Shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued Shares;
- (g) at no time will options be issued which could permit at any time the grant to insiders (as a group), within a 12 month period, of an aggregate number of options exceeding 10% of the issued Shares calculated at the date an option is granted to any insider;
- (h) options held by an option holder who is a director, employee, consultant or management company employee must expire within one year after the option holder ceases to be a director, employee, consultant or management company employee, which time period the Company determines is reasonable;
- (i) options held by an option holder who is engaged in Investor Relations Activities must expire within 30 days after the option holder ceases to be employed by the Company to provide Investor Relations Activities; and
- (j) in the event of an option holder’s death, the option holder’s personal representative may exercise any portion of the option holder’s vested outstanding options for a period of one year following the option holder’s death.

The Option Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate. Stock options granted to directors, senior officers, employees or consultants vest when granted unless otherwise determined by the Board on a case by case basis. Stock options granted to consultants performing Investor Relations Activities will vest in stages over 12 months with no more than ¼ of the options vesting in any three month period.

In addition, under the Option Plan a stock option will expire immediately in the event a director or senior officer ceases to be a director or senior officer of the Company as a result of:

- (a) ceasing to meet the qualifications under the *Business Corporations Act* (British Columbia);
- (b) the passing of a special resolution by the shareholders; or
- (c) an order made by a regulatory authority.

A stock option will also expire immediately in the event an employee ceases to be an employee as a result of termination for cause or an employee or consultant ceases to be an employee or consultant as a result of an order made by a regulatory authority.

The price at which an option holder may purchase a Share upon the exercise of a stock option will be as set forth in the option certificate issued in respect of such option and in any event will not be less than the “**Discounted Market Price**” (as defined in TSXV Policy 1.1) of the Company’s Shares as of the date of the grant of the stock option (the “**Award Date**”). The exercise price of stock options granted by the Company will typically be the closing price of the Company’s Shares on the day immediately preceding the relevant Award Date, or otherwise in accordance with the terms of the Option Plan.

In no case will a stock option be exercisable at a price less than the minimum prescribed by the organized trading facility or the applicable regulatory authorities that would apply to the award of the stock option in question.

The Option Plan also provides that: (a) disinterested shareholder approval will be obtained for any reduction in the exercise price of an option held by an insider of the Company; and (b) options cannot be granted to employees, consultants or management company employees who are not bona fide employees, consultants or management company employees, as the case may be.

Shares will not be issued pursuant to stock options granted under the Option Plan until they have been fully paid for by the option holder. The Company will not provide financial assistance to option holders to assist them in exercising their stock options.

Shareholders may request a copy of the Option Plan by contacting the Company at the address or telephone number listed on the Notice of Meeting until the date of the Meeting and at the Meeting itself.

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

“RESOLVED as an ordinary resolution THAT:

1. the Company’s stock option plan adopted by shareholders on December 19, 2016 (the “**Option Plan**”) be and is hereby ratified, confirmed, authorized and approved;
2. the reservation under the 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 Option Plan be and the same is hereby authorized and approved;
3. such amendments to the Option Plan are authorized to be made from time to time as the Board may, in its discretion, consider to be appropriate, provided that such amendments will be subject to the approval of all applicable regulatory authorities and in certain cases, in accordance with the terms of the Option Plan, the shareholders; 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 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.”

The Board unanimously recommends that the shareholders vote in favour of ratifying and approving the Option Plan.

**Unless the shareholder directs that his or her Shares be otherwise voted or withheld from voting in connection with the approval of the Option Plan, the persons named in the enclosed Proxy will vote FOR the approval of the above resolutions.**

#### **PART 4 – EXECUTIVE COMPENSATION**

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Under this heading, the Company is including the disclosure required by Form 51-102F6 *Statement of Executive Compensation*.

For the purposes of this Information Circular, named executive officers of the Company means the following individuals (the “**Named Executive Officers**”):

- (a) the Company’s Chief Executive Officer or an individual who acted in a similar capacity for any part of the most recently completed financial year (the “**CEO**”);
- (b) the Company’s Chief Financial Officer or an individual who acted in a similar capacity for any part of the most recently completed financial year (the “**CFO**”);

- (c) each of the Company's three most highly compensated executive officers, 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 Form 51-102F6 – Statement of Executive Compensation for that financial year; and
- (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

As at May 31, 2017, the end of the most recently completed financial year of the Company, the Company had four Named Executive Officers, Mr. Nav Dhaliwal, President and CEO, Mr. R. Dale Ginn, Vice President, Exploration, Mr. P. Joseph Meagher, CFO and Mr. Richard Boulay, director.

## **COMPENSATION DISCUSSION AND ANALYSIS**

Remuneration plays an important role in helping the Company attract, motivate, reward and retain knowledgeable and skilled individuals to its management team. The Company has in place a compensation policy. The Compensation Committee recommends compensation of its directors and officers to the Board and the Board discusses recommendations prior to approval. The main objectives the Company hopes to achieve through its compensation are:

- to attract and retain executives critical to the Company's success, who will be key in helping the Company achieve its corporate objectives and increase shareholder value;
- to motivate the Company's management team to meet or exceed targets;
- to recognize the contribution of the Company's executive directors and officers to the overall success and strategic growth of the Company; and
- to align the interests of management and the Company's shareholders by providing performance-based compensation in addition to salary.

The Board has not proceeded to a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. The Board does not believe that the Company's compensation program results in unnecessary or inappropriate risk taking including risks that are likely to have a material adverse effect on the Company. The Company's Named Executive Officers and directors are not permitted to purchase financial instruments, including for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

## **OPTION BASED AWARDS**

The Compensation Committee recommends stock option grants to the Board and the Board reviews and approves grants based on the Committee's recommendations. When new options are granted, the Compensation Committee and Board take into account previous grants of options, the number of stock options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such stock options is to assist the Company in compensating, attracting, retaining and motivating the officers, directors and employees of the Company and to align the personal interests of such persons to the interests of the shareholders. The exercise price of the stock options granted is generally determined by the market price at the date of grant, and in very limited cases, less any allowable discount.

The Company has in place the Option Plan, which was adopted by the Board and approved by shareholders at the Company's annual general meeting held on December 19, 2016. The Option Plan complies with the policies of the TSXV. For a detailed description of the Option Plan, please see above section "The Business of the Meeting – Annual Ratification of Stock Option Plan".

## COMPENSATION GOVERNANCE

The Compensation Committee, on behalf of the Board, monitors compensation for the Named Executive Officers and directors. The Compensation Committee currently consists of three members, Richard Boulay, Chair, P. Joseph Meagher, and Robert Gagnon. Recommendations of the Compensation Committee are forwarded to the Board for review and final approval.

The members of the Compensation Committee are senior executives or have held senior executive roles with other companies and as such, they have a good understanding of compensation practices and procedures. They all have a good financial understanding which allows them to assess the costs and benefits of compensation plans.

The following is a summary description of the mandate and responsibilities of the Compensation Committee as it relates to Named Executive Officer compensation:

- (a) appointment, performance evaluation and compensation of the Company's President and CEO and other executive officers of the Company;
- (b) succession planning relating to the CEO, other executive officers and other key employees including appointments, reassignments and terminations;
- (c) compensation structure for the CEO and other executive officers including annual, mid-term and long-term incentive plans and incentive plans involving share issuances or share awards;
- (d) determination of director compensation; and
- (e) share ownership guidelines for the CEO, other Executive Officers and directors.

## SUMMARY COMPENSATION TABLE

The following table is a summary of compensation paid to the Named Executive Officers for the financial years ended May 31, 2015, 2016 and 2017. For information concerning compensation related to previous years, please refer to the Company's previous Information Circulars available at [www.sedar.com](http://www.sedar.com):

Name and Principal Position	Year ended May 31	Salary (\$) <sup>(1)</sup>	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non Equity incentive plan compensation (\$)		Pension Value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans <sup>(3)</sup>			
Nav Dhaliwal President, CEO, and director	2017	206,000 <sup>(4)</sup>	N/A	274,754	N/A	N/A	N/A	250,000 <sup>(5)(4)</sup>	730,754
	2016	180,000 <sup>(4)</sup>	N/A	226,630	N/A	N/A	N/A	Nil	406,630
	2015	150,000 <sup>(4)</sup>	N/A	Nil	N/A	N/A	N/A	Nil	150,000
P. Joseph Meagher CFO and director <sup>(6)</sup>	2017	73,000 <sup>(7)</sup>	N/A	82,426	N/A	N/A	N/A	25,000 <sup>(5)(7)</sup>	180,426
	2016	Nil	N/A	113,315	N/A	N/A	N/A	28,000 <sup>(7)</sup>	141,315
	2015	Nil	N/A	Nil	N/A	N/A	N/A	12,000 <sup>(7)</sup>	12,000
R. Dale Ginn VP, Exploration and director <sup>(8)</sup>	2017	191,000 <sup>(9)</sup>	N/A	274,754	N/A	N/A	N/A	250,000 <sup>(5)(10)</sup>	715,754
	2016	Nil	N/A	149,737	N/A	N/A	N/A	137,500 <sup>(11)</sup>	287,237
	2015	Nil	N/A	Nil	N/A	N/A	N/A	Nil	Nil
Richard Boulay director <sup>(12)</sup>	2017	Nil	N/A	82,426	N/A	N/A	N/A	120,000 <sup>(11)</sup>	202,426
	2016	Nil	N/A	188,386	N/A	N/A	N/A	70,000 <sup>(11)</sup>	258,386

(1) Includes salary paid or accrued during the financial year.

(2) Option-based awards are valued at the date of grant using the Black-Scholes option pricing model which the Company has chosen because it is one of the most common valuation methodologies used by venture issuers. Option pricing models require the input of highly subjective assumptions, particularly as to the expected volatility of the stock. Changes in these

assumptions can materially affect the fair value estimate, and therefore it is management's view that the existing models may not provide a single reliable measure of the fair value of the Company's stock option grants. The Company uses an option-pricing model because there is no market for which options may be freely traded. Readers are cautioned not to assume that the value derived from the model is the value that an option holder might receive if the options freely traded, nor assume that these amounts are the same as those reported for income tax purposes.

- (3) LTIP or long term incentive plan means any plan that provides compensation intended to motivate performance to occur over a period greater than one financial year, but does not include option or stock appreciate right plans or plans to compensate through restricted shares or restrict share units.
- (4) Paid to RSD Capital Corp., a company wholly owned by Mr. Dhaliwal.
- (5) Paid as bonus.
- (6) Mr. Meagher was appointed CFO on December 29, 2014.
- (7) Paid to Triumvirate Consulting Corp., a company of which Mr. Meagher is an owner and director.
- (8) Mr. Ginn was appointed a director on March 18, 2015, and was appointed Vice President, Exploration, on November 11, 2015.
- (9) \$22,000 of this amount paid to RD Ginn Geological Services Inc., a company wholly owned by Mr. Ginn.
- (10) \$150,000 of this amount paid to RD Ginn Geological Services Inc.
- (11) Paid as geological consulting fees.
- (12) Mr. Boulay was appointed a director on December 8, 2015.

See below section "Termination and Change of Control Benefits" for a description of the agreements under which the Named Executive Officers are compensated.

## INCENTIVE PLAN AWARDS

### *Outstanding Option-Based Awards*

The following table sets out all option-based awards outstanding (no share-based awards were outstanding) for the Named Executive Officers as at May 31, 2017:

Name	Option-Based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Nav Dhaliwal <sup>(2)</sup>	400,000	0.22	October 14, 2020	106,000
	400,000	0.50	March 30, 2021	Nil
	1,000,000	0.40	April 3, 2020	85,000
P. Joseph Meagher	200,000	0.22	October 14, 2020	53,000
	200,000	0.50	March 30 2021	Nil
	300,000	0.40	April 3, 2020	25,500
R. Dale Ginn	400,000	0.22	October 14, 2020	106,000
	400,000	0.50	March 30, 2021	Nil
	1,000,000	0.40	April 3, 2020	85,000
Richard Boulay	400,000	0.22	December 8, 2020	106,000
	300,000	0.50	March 20, 2021	Nil
	300,000	0.40	April 3, 2020	25,500

(1) In-the-money options are those where the market value of the underlying securities as at the most recent financial year end exceeds the option price. This figure was calculated using the closing market price of the Company's Shares on the TSXV on May 31, 2017, being \$0.485.

(2) Issued in the name of RSD Capital Corp., a company wholly owned by Mr. Dhaliwal.

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

During the most recently completed financial year end, all option-based awards for the Named Executive Officers vested on their grant dates with a nil value. No share-based awards were outstanding.

## PENSION PLANS

The Company does not have in place any deferred compensation plan or pension plan that provides for payments or benefits, at or in connection with retirement.

## TERMINATION AND CHANGE OF CONTROL BENEFITS

*Nav Dhaliwal* – The Company entered into a consulting agreement with RSD Capital Corp. (“**RSD**”) and Nav Dhaliwal (the “**Consultant**”) dated August 25, 2016 as amended by amending agreement dated March 17, 2017 (collectively, the “**RSD Agreement**”), to remain in force subject to termination as provided in the RSD Agreement. Pursuant to the terms of the RSD Agreement, the Consultant acts as President and CEO of the Company. RSD receives a base fee of \$264,000 per annum, payable in equal monthly installments and subject to annual review (the “**Base Fee**”). RSD is entitled to stock options as determined by the Board. RSD is also entitled to a yearly incentive fee at the discretion of the Board to be based on the Consultant’s performance, the Company’s financial situation and the Company’s share price (the “**Incentive Fee**”). The Company can terminate the RSD Agreement for just cause without notice, at which time only amounts owing at termination will be payable. Should the Company terminate the Consultant’s engagement without just cause, the Company must pay RSD a lump sum amount equal two times the annual base fee at the time of termination. All options then outstanding would expire in six months. If RSD’s engagement is terminated without just cause or if RSD terminates for Good Reason in twelve months following a Change of Control, then the Company shall pay RSD within 30 days of termination an amount equal to three times the prevailing Base Fee and three times the average Incentive Fee awarded for the three preceding financial years. All outstanding stock options shall vest immediately and be exercisable for six months from termination. A Change of Control is defined as the acquisition by any person or group acting jointly or in concert of more than 50% of the outstanding Shares; the removal by extraordinary resolution of shareholders of more than 51% of the then incumbent directors or the election of a majority of directors who were not nominees of the Board at the time immediate preceding such election; the sale of all or substantially all of the assets of the Company or the consummation of a reorganization, merger or other transaction having substantially the same effect; or a merger, consolidation, plan of arrangement or reorganization that results in the beneficial transfer of more than 50% of the total voting power of the resulting entity’s outstanding securities. Good Reason is defined as any relocation of RSD’s principal place of work of more than 20 kilometres; any reduction in the Base Fee; any material reduction in RSD or the Consultant’s duties, title or reporting; any other material breach of the RSD Agreement. Assuming a Change of Control occurred as of the date of this Information Circular and RSD’s engagement was terminated without just cause or for Good Reason, the Consultant would be entitled to an estimated payment of \$1,092,000.

*R. Dale Ginn* – The Company entered into a consulting agreement with R. Dale Ginn (“**Ginn**”) dated August 25, 2016 as amended by amending agreement dated March 17, 2017 (collectively, the “**Ginn Agreement**”), to remain in force subject to termination as provided in the Ginn Agreement. Pursuant to the terms of the Ginn Agreement, Ginn acts as Vice President, Exploration, of the Company. Ginn receives a base fee of \$264,000 per annum, payable in equal monthly installments and subject to annual review (the “**Base Fee**”). Ginn is entitled to stock options as determined by the Board. Ginn is also entitled to a yearly incentive fee at the discretion of the Board to be based on Ginn’s performance, the Company’s financial situation and the Company’s share price (the “**Incentive Fee**”). The Company can terminate the Ginn Agreement for just cause without notice, at which time only amounts owing at termination will be payable. Should the Company terminate Ginn’s engagement without just cause, the Company must pay Ginn a lump sum amount equal two times the annual base fee at the time of termination. All options then outstanding would expire in six months. If Ginn’s engagement is terminated without just cause or if Ginn terminates for Good Reason in twelve months following a Change of Control, then the Company shall pay Ginn within 30 days of termination an amount equal to three times the prevailing Base Fee and three times the average Incentive Fee awarded for the three preceding financial years. All outstanding stock options shall vest immediately and be exercisable for six months from termination. A Change of Control is defined as the acquisition by any person or group acting jointly or in concert of more than 50% of the outstanding Shares; the removal by extraordinary resolution of shareholders of more than 51% of the then incumbent directors or the election of a majority of directors who were not nominees of the Board at the time immediate preceding such election; the sale of all or substantially all of the assets of the Company or the consummation of a reorganization, merger or other transaction having substantially the same effect; or a merger, consolidation, plan of arrangement or reorganization that results in the beneficial transfer of more than 50% of the total voting power of the resulting entity’s outstanding securities. Good Reason is defined as any relocation of Ginn’s principal place of work of more than 20 kilometres; any reduction in the Base Fee; any material reduction in Ginn’s duties, title or reporting; any other material breach of the Ginn Agreement. Assuming a Change of Control occurred

as of the date of this Information Circular and Ginn’s engagement was terminated without just cause or for Good Reason, Ginn would be entitled to an estimated payment of \$1,092,000.

*P. Joseph Meagher* – The Company entered into a consulting agreement with Meagher Consulting Inc. (“**Meagher**”) and P. Joseph Meagher (the “**Consultant**”) dated February 1, 2017 as amended by amending agreement dated June 1, 2017 (collectively, the “**Meagher Agreement**”), to remain in force subject to termination as provided in the Meagher Agreement. Pursuant to the terms of the Meagher Agreement, the Consultant acts as CFO of the Company. Meagher receives a base fee of \$90,000 per annum, payable in equal monthly installments and subject to annual review (the “**Base Fee**”). Meagher is entitled to stock options as determined by the Board. Meagher is also entitled to a yearly incentive fee at the discretion of the Board to be based on the Consultant’s performance, the Company’s financial situation and the Company’s share price (the “**Incentive Fee**”). The Company can terminate the Meagher Agreement for just cause without notice, at which time only amounts owing at termination will be payable. Should the Company terminate the Consultant’s engagement without just cause, the Company must pay Meagher a lump sum amount equal one times the annual base fee at the time of termination. All options then outstanding would expire in six months. If Meagher’s engagement is terminated without just cause or if Meagher terminates for Good Reason in twelve months following a Change of Control, then the Company shall pay Meagher within 30 days of termination an amount equal to one times the prevailing Base Fee and one times the average Incentive Fee awarded for the two preceding financial years. All outstanding stock options shall vest immediately and be exercisable for six months from termination. A Change of Control is defined as the acquisition by any person or group acting jointly or in concert of more than 50% of the outstanding Shares; the removal by extraordinary resolution of shareholders of more than 51% of the then incumbent directors or the election of a majority of directors who were not nominees of the Board at the time immediate preceding such election; the sale of all or substantially all of the assets of the Company or the consummation of a reorganization, merger or other transaction having substantially the same effect; or a merger, consolidation, plan of arrangement or reorganization that results in the beneficial transfer of more than 50% of the total voting power of the resulting entity’s outstanding securities. Good Reason is defined as any relocation of Meagher’s principal place of work of more than 20 kilometres; any reduction in the Base Fee; any material reduction in Meagher or the Consultant’s duties, title or reporting; any other material breach of the Meagher Agreement. Assuming a Change of Control occurred as of the date of this Information Circular and Meagher’s engagement was terminated without just cause or for Good Reason, the Consultant would be entitled to an estimated payment of \$115,000.

The Company has not entered into any other plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in the Company’s most recently completed financial year or current financial year in respect of compensating such Named Executive Officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control.

## DIRECTOR COMPENSATION

The Company had six directors as at the financial year ended May 31, 2017, four of whom are also Named Executive Officers, Nav Dhaliwal, P. Joseph Meagher, R. Dale Ginn and Richard Boulay. The Company has no standard arrangement pursuant to which directors are compensated by the Company for their services in their capacity as directors except for the granting from time to time of incentive stock options.

During the most recently completed financial year ended May 31, 2017, the directors who were not Named Executive Officers received the following compensation for services provided to the Company:

Name	Fees earned (\$) <sup>(1)</sup>	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Robert Gagnon	Nil	N/A	82,426	N/A	N/A	Nil	82,426
Jose Vizquerra Benavides <sup>(3)</sup>	35,000 <sup>(4)</sup>	N/A	Nil	N/A	N/A	Nil	35,000
Allan J. Folk <sup>(5)</sup>	Nil	N/A	82,426	N/A	N/A	Nil	82,426

(1) Includes fees paid or accrued during the financial year.

(2) Refer to discussion in footnote (2) in the “Summary Compensation Table” for Named Executive Officers above for the method of determining the value of option-based awards.

(3) Mr. Vizquerra Benavides resigned as director on March 7, 2017.

- (4) Paid as management fees.  
(5) Mr. Folk was appointed director on April 2, 2107.

## INCENTIVE PLAN AWARDS

### *Outstanding Option-Based Awards*

The following table sets out all option-based awards outstanding as of May 31, 2017 (no share-based awards were outstanding) to directors who were not Named Executive Officers:

Name	Option-based awards			
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>
Robert Gagnon	200,000	0.22	October 14, 2020	53,000
	200,000	0.50	March 20, 2021	Nil
	300,000	0.40	April 3, 2020	25,500
Allan J. Folk	300,000	0.40	April 3, 2020	25,500

- (1) In-the-money options are those where the market value of the underlying securities as at the most recent financial year end exceeds the option price. This figure was calculated using the closing market price of the Company's Shares on the TSXV on May 31, 2017, being \$0.485.

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

During the most recently completed financial year end, all option-based awards for the directors vested on their grant dates with a nil value. No share-based awards were outstanding.

## **PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out equity compensation plan information as at the financial year ended May 31, 2017:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) <sup>(1)</sup> (c)
Equity compensation plans approved by security holders	11,150,000	\$0.39	5,028,823
Equity compensation plans not approved by security holders	None	N/A	N/A

- (1) This figure is based on the total number of Shares authorized for issuance under the Option Plan, less the number of stock options outstanding as at the Company's year ended May 31, 2017.

## **PART 6 – AUDIT COMMITTEE**

The Company is including the disclosure required by Form 52-110F2 of National Instrument 52-110 *Audit Committees* ("NI 52-110") under this heading.

### **AUDIT COMMITTEE CHARTER**

The Charter of the Company's audit committee is included as Schedule "A" to this Information Circular.

## COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee is currently composed of the following three directors:

Member	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Nav Dhaliwal, Chair	No	Yes
Robert Gagnon	Yes	Yes
Richard Boulay	No	Yes

(1) As that term is defined in NI 52-110.

## RELEVANT EDUCATION AND EXPERIENCE

All of the members of the Audit Committee are financially literate, in that they have the ability to read and understand consolidated statements of financial position, consolidated statements of comprehensive loss, consolidated statements of cash flows, and consolidated statements of equity and the notes attached thereto. Additionally, all of the members of the Audit Committee have accounting or related financial experience and are able to analyze and interpret a full set of financial statements, with the level of complexity of a mineral exploration issuer such as the Company, including the notes attached thereto, in accordance with International Financial Reporting Standards. The following table sets out each committee member's relevant experience:

Nav Dhaliwal	Mr. Dhaliwal has worked in the capital markets for over 10 years and has been involved in the management and financing of numerous public companies. He has been a senior officer and director of several reporting issuers.
Robert Gagnon	Mr. Gagnon is a geological consultant and has several years of experience in budgeting and operating geological programs.
Richard Boulay	Mr. Boulay is a geologist with over 40 years of experience in the exploration and mining industries in Canada and internationally, including 15 years of mining and infrastructure financing experience gained with Bank of Montreal, Royal Bank of Canada and Bank of Tokyo. During Mr. Boulay's project financing career he arranged the financing of numerous underground and open pit mining projects, hydro and diversion dams, nuclear reactors, pipelines and offshore oil exploration and production platforms. He has extensive experience in the management and financing of public companies in Canada and the United States.

## AUDIT COMMITTEE OVERSIGHT

At no time since the beginning of the most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

## RELIANCE ON CERTAIN EXEMPTIONS

Since the commencement of the Company's financial year ended May 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 financial 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.

## PRE-APPROVAL POLICIES AND PROCEDURES

The audit committee is authorized by the Board to review the performance of the Company's external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the Company.

## 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 its external auditors, Crowe MacKay LLP, for services rendered to the Company in each of the last two financial years, by category, are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
May 31, 2017	32,640	N/A	3,570	N/A
May 31, 2016	17,340	N/A	10,053	N/A

## 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 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## PART 7 – CORPORATE GOVERNANCE

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The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) prescribes certain disclosure by the Company of its corporate governance practices. The disclosure required by NI 58-101 is presented below.

### NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

The Board has a Nominating and Corporate Governance Committee (the “**Nominating Committee**”), the mandate of which is as follows:

- (a) To develop and recommend to the Board a set of corporate governance principles applicable to the Company;
- (b) To identify individuals qualified to become new Board members and to recommend to the Board new director nominees from time to time; and
- (c) To assist the Chairman of the Nominating and Corporate Governance Committee in overseeing the process of evaluation of the Board, its committees and individual directors.

The members of the Nominating Committee are R. Dale Ginn, Chair and Joseph Meagher.

### BOARD OF DIRECTORS

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship that could, in the view of the Company’s Board, be reasonably expected to interfere with the exercise of a director’s independent judgment.

Nav Dhaliwal, P. Joseph Meagher and R. Dale Ginn are executive officers of the Company and are therefore not considered to be “independent” pursuant to NI 58-101. Robert Gagnon, Richard Boulay and Allan J. Folk are independent directors pursuant to NI 58-101.

The Nominating Committee as well as the Board facilitate their exercise of independent supervision over management by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. The Board believes that 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 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 each director exercises independent judgment in carrying out his responsibilities and acting in the best interests of the Company.

The mandate of the Board, as prescribed by the *Business Corporations Act* (British Columbia) is to manage or supervise 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.

## DIRECTORSHIP

The directors of the Company are currently directors of the following other reporting issuers:

Nav Dhaliwal	None
P. Joseph Meagher	Boomer Financial Inc. Chichi Financial Inc. Alexis Financial Inc. Syd Financial Inc.
Robert Gagnon	Khalkos Exploration Inc.
R. Dale Ginn	None
Richard Boulay	Pacton Gold Inc.
Allan J. Folk	Monarca Minerals Inc. Atlanta Gold Inc.

## ORIENTATION AND CONTINUING EDUCATION

When new directors are appointed, they receive orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company's management and consultants to give the directors additional insight into the Company's business. Individual directors are responsible for maintaining their own education, skills and knowledge at an appropriate level. Board members are encouraged to attend educational courses or presentations in relation to the Company's projects or the industry within which the Company operates.

## ETHICAL BUSINESS CONDUCT

The Board has not, to date, adopted a formal written Code of Ethical Business Conduct. The current limited size of the Company's operations, and the small number of officers allow the Board to monitor, on an ongoing basis, the activities of management and to ensure that the highest standard of ethical conduct is maintained. The Board is aware of the recommendation in National Policy 58-201 *Corporate Governance Guidelines* to adopt a written code of business conduct and ethics and is in the process of reviewing different standards that may be appropriate for the Company to adopt if warranted.

To date, the Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company. Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. A director must disclose to the Board the nature and extent of any interest of the director in any material contract or material transaction, whether made or proposed, if the director is a party to the contract or transaction, is a director or officer (or an individual acting in a similar capacity) of a party to the contract or transaction or has a material interest in a party to the contract or transaction. The disclosure must be evidenced in writing by being included in the consent resolutions or minutes of the meeting that approved the transaction or in a written disclosure delivered to the Company's records office. Unless the director properly discloses his interest and has the

transaction properly approved, he may be liable to account to the Company for any profit he makes as a result of the transaction, unless the court finds that the transaction was fair and reasonable to the Company. Once the appropriate disclosure has been made by the interested director, the transaction must be approved by the directors or by the shareholders by special resolution. An interested director would not be entitled to vote at meetings of directors which evoke any such conflict.

## **NOMINATION OF DIRECTORS**

The Nominating Committee is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees to fill vacancies and for the next annual meeting the shareholders. The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required, show support for the Company's mission and strategic objectives and a willingness to serve.

## **COMPENSATION**

The Compensation Committee together with the Board periodically reviews the compensation paid to directors and management based on such factors as time commitment and level of responsibility and the Company's current position as an exploration company with limited operating revenue.

See "Part 4 – Executive Compensation, Compensation Governance" above for information about the Company's Compensation Committee.

## **OTHER BOARD COMMITTEES**

The Board has no other committees other than the Audit Committee, the Compensation Committee and the Nominating Committee.

## **ASSESSMENTS**

The Board conducts periodic assessments of its members including individual assessments to determine if the Board and the individual directors are performing efficiently. Based on the Company's size, stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be unnecessary at this time. As the activities of the Company develop, it will consider the establishment of more formal evaluation procedures, including more quantitative measures of performance.

## **PART 8 – OTHER INFORMATION**

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

None of our directors or executive officers, proposed nominees for election as directors, or associates of any of them, is or has been indebted to the Company or our subsidiaries at any time since the beginning of the most recently completed financial year and no indebtedness remains outstanding as at the date of this Information Circular.

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

Except as disclosed herein, since the commencement of the last completed financial year, no "informed person" had any material interest, direct or indirect, in any transaction or any proposed transaction, which has materially affected or would materially affect the Company or any of its subsidiaries. "Informed Person" means: (a) a director or executive officer of the Company; (b) a director or 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, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent 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; or (d) the Company if it has purchased, redeemed or otherwise acquired any of its securities, so long as it holds any of its securities.

## **MANAGEMENT CONTRACTS**

Management functions of the Company are generally performed by directors and executive officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

## **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the Proxy to vote the Shares represented thereby in accordance with their best judgment on such matter.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's financial statements and management's discussion and analysis for the most recently completed financial year.

The Company will provide to any securityholder upon request, copies of the Company's financial statements and management's discussion & analysis for the most recently completed financial year. Please direct your request to the Company at 200 Burrard Street, Suite 1680, Vancouver, British Columbia, V6C 3L6.

DATED at Vancouver, British Columbia, on the 9<sup>th</sup> day of November, 2017.

**ON BEHALF OF THE BOARD**  
*"Nav Dhaliwal"*  
President and Chief Executive Officer

## SCHEDULE “A”

### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS OF BONTERRA RESOURCES INC.

The Audit Committee will be governed by the following charter:

#### **1.0 Purpose of the Committee**

- 1.1 The purpose of the Audit Committee is to assist the Board in its oversight of the integrity of the Company’s financial statements and other relevant public disclosures, the Company’s compliance with legal and regulatory requirements relating to financial reporting, the external auditors’ qualifications and independence and the performance of the internal audit function and the external auditors.

#### **2.0 Members of the Audit Committee**

- 2.1 At least one Member must be “financially literate” as defined under MI 52-110, having sufficient accounting or related financial management expertise to read and understand a set of financial statements, including the related notes, that present a breadth and level of complexity of the 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.
- 2.2 The Audit Committee shall consist of no less than three Directors.
- 2.3 At least one Member of the Audit Committee shall be “independent” as defined under MI 52-110, while the Company is in the developmental stage of its business.

#### **3.0 Relationship with External Auditors**

- 3.1 The external auditors are the independent representatives of the shareholders, but the external auditors are also accountable to the Board of Directors and the Audit Committee.
- 3.2 The external auditors must be able to complete their audit procedures and reviews with professional independence, free from any undue interference from the management or directors.
- 3.3 The Audit Committee must direct and ensure that the management fully co-operates with the external auditors in the course of carrying out their professional duties.
- 3.4 The Audit Committee will have direct communications access at all times with the external auditors.

#### **4.0 Non-Audit Services**

- 4.1 The external auditors are prohibited from providing any non-audit services to the Company, without the express written consent of the Audit Committee. In determining whether the external auditors will be granted permission to provide non-audit services to the Company, the Audit Committee must consider that the benefits to the Company from the provision of such services, outweighs the risk of any compromise to or loss of the independence of the external auditors in carrying out their auditing mandate.
- 4.2 Notwithstanding section 4.1, the external auditors are prohibited at all times from carrying out any of the following services, while they are appointed the external auditors of the Company:
- (i) acting as an agent of the Company for the sale of all or substantially all of the undertaking of the Company; and
  - (ii) performing any non-audit consulting work for any director or senior officer of the Company in their personal capacity, but not as a director, officer or insider of any other entity not associated or related to the Company.

## **5.0 Appointment of Auditors**

- 5.1 The external auditors will be appointed each year by the shareholders of the Company at the annual general meeting of the shareholders.
- 5.2 The Audit Committee will nominate the external auditors for appointment, such nomination to be approved by the Board of Directors.

## **6.0 Evaluation of Auditors**

- 6.1 The Audit Committee will review the performance of the external auditors on at least an annual basis, and notify the Board and the external auditors in writing of any concerns in regards to the performance of the external auditors, or the accounting or auditing methods, procedures, standards, or principles applied by the external auditors, or any other accounting or auditing issues which come to the attention of the Audit Committee.

## **7.0 Remuneration of the Auditors**

- 7.1 The remuneration of the external auditors will be determined by the Board of Directors, upon the annual authorization of the shareholders at each general meeting of the shareholders.
- 7.2 The remuneration of the external auditors will be determined based on the time required to complete the audit and preparation of the audited financial statements, and the difficulty of the audit and performance of the standard auditing procedures under generally accepted auditing standards and generally accepted accounting principles of Canada.

## **8.0 Termination of the Auditors**

- 8.1 The Audit Committee has the power to terminate the services of the external auditors, with or without the approval of the Board of Directors, acting reasonably.

## **9.0 Funding of Auditing and Consulting Services**

- 9.1 Auditing expenses will be funded by the Company. The auditors must not perform any other consulting services for the Company, which could impair or interfere with their role as the independent auditors of the Company.

## **10.0 Role and Responsibilities of the Internal Auditor**

- 10.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company shall be responsible for implementing internal controls and performing the role as the internal auditor to ensure that such controls are adequate.

## **11.0 Oversight of Internal Controls**

- 11.1 The Audit Committee will have the oversight responsibility for ensuring that the internal controls are implemented and monitored, and that such internal controls are effective.

## **12.0 Continuous Disclosure Requirements**

- 12.1 At this time, due to the Company's size and limited financial resources, the Chief Financial Officer of the Company is responsible for ensuring that the Company's continuous reporting requirements are met and in compliance with applicable regulatory requirements.

## **13.0 Other Auditing Matters**

- 13.1 The Audit Committee may meet with the external auditors independently of the management of the Company at any time, acting reasonably.

13.2 The Auditors are authorized and directed to respond to all enquiries from the Audit Committee in a thorough and timely fashion, without reporting these enquiries or actions to the Board of Directors or the management of the Company.

**14.0 Annual Review**

14.1 The Audit Committee Charter will be reviewed annually by the Board of Directors and the Audit Committee to assess the adequacy of this Charter.

**15.0 Independent Advisers**

15.1 The Audit Committee shall have the power to retain legal, accounting or other advisors to assist the Committee.