

**MINNOVA CORP.**  
Suite 400, 365 Bay Street  
Toronto, Ontario M5H 2V1

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the "**Meeting**") of shareholders of **Minnova Corp.** (the "**Corporation**") will be held on **Thursday, September 20, 2018**, at the hour of 10:00 a.m. (Eastern time), at the office of Irwin Lowy LLP, Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1 for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the year ended March 31, 2018 and the report of the auditors thereon;
2. to consider and, if deemed advisable, pass, with or without variation, a special resolution to determine the number of directors of the Corporation and the number of directors to be elected at the Meeting to be four and to empower the directors of the Corporation, by resolution of the directors, to determine the number of directors within the minimum and maximum number set out in the articles of continuance of the Corporation;
3. to elect the directors of the Corporation;
4. to appoint the auditors of the Corporation and to authorize the directors to fix their remuneration;
5. to approve and confirm the stock option plan of the Corporation; and
6. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The full text of the special resolution referred to in item 2 above is attached to this notice of the Meeting as exhibit A.

A shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Corporation's transfer agent and registrar, TSX Trust Company, at Suite 301, 100 Adelaide Street West, Toronto, Ontario, M5H 4H1 not later than 10:00 a.m. (Eastern time) on Tuesday, September 18, 2018 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned meeting.

Shareholders who are unable to attend the Meeting in person, are requested to date, complete, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting.

The board of directors of the Corporation has by resolution fixed the close of business on Friday, August 10, 2018 as the record date, being the date for the determination of the registered holders of common shares of the Corporation entitled to receive notice of, and to vote at, the Meeting and any adjournment thereof.

The accompanying management information circular provides additional detailed information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this notice of Meeting. Additional information about the Corporation and its financial statements are also available on the Corporation's profile at [www.sedar.com](http://www.sedar.com).

**DATED** at Toronto, Ontario this 10<sup>th</sup> day of August, 2018.

**BY ORDER OF THE BOARD**

*"Gorden Glenn" (signed)*  
President, Chief Executive Officer and Director

**EXHIBIT A**

**SPECIAL RESOLUTION OF THE SHAREHOLDERS**

**OF**

**MINNOVA CORP.**

**NUMBER OF DIRECTORS**

**"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. the number of directors of the Corporation and the number of directors to be elected at the annual and special meeting of the shareholders of the Corporation to be held on September 20, 2018, within the minimum and maximum number of directors of the Corporation provided for in the articles of continuance of the Corporation, is hereby determined to be four;
2. the directors of the Corporation be and they are hereby empowered, by resolution of the directors, to determine, from time to time, the number of directors of the Corporation and the number of directors to be elected at meetings of the shareholders of the Corporation subsequent to September 20, 2018, within the minimum and maximum number of directors of the Corporation provided for in the articles of continuance of the Corporation; and
3. any director or officer of the Corporation be and he or she is hereby authorized and directed, for and on behalf of the Corporation, to execute and deliver all such documents and to do all such other acts or things as he or she may determine to be necessary or advisable to give effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

**MINNOVA CORP.**  
Suite 400, 365 Bay Street  
Toronto, Ontario M5H 2V1

**MANAGEMENT INFORMATION CIRCULAR**

**As at August 10, 2018**

**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF MINNOVA CORP.** (the "**Corporation**") of proxies to be used at the annual and special meeting of shareholders of the Corporation to be held on Thursday, September 20, 2018 at the office of Irwin Lowy LLP at Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1 at 10:00 a.m. (Eastern time), and at any adjournment or postponement thereof (the "**Meeting**") for the purposes set out in the enclosed notice of meeting (the "**Notice of Meeting**"). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and clearing agencies, custodians, nominees, fiduciaries or other intermediaries to send the Notice of Meeting, this management information circular (the "**Management Information Circular**"), the annual financial statements of the Corporation for the financial year ended March 31, 2018 and related management's discussion and analysis and other meeting materials, if applicable (collectively the "**Meeting Materials**") to the beneficial owners of the common shares of the Corporation (the "**Common Shares**") held of record by such parties. The Corporation may reimburse such parties for reasonable fees and disbursements incurred by them in doing so. The costs of the solicitation of proxies will be borne by the Corporation. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting.

**APPOINTMENT AND REVOCATION OF PROXIES**

A holder of Common Shares who appears on the records maintained by the Corporation's registrar and transfer agent as a registered holder of Common Shares (each a "**Registered Shareholder**") may vote in person at the Meeting or may appoint another person to represent such Registered Shareholder as proxy and to vote the Common Shares of such Registered Shareholder at the Meeting. In order to appoint another person as proxy, a Registered Shareholder must complete, execute and deliver the form of proxy accompanying this Management Information Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

The purpose of a form of proxy is to designate persons who will vote on the shareholder's behalf in accordance with the instructions given by the shareholder in the form of proxy. The persons named in the enclosed form of proxy are officers or directors of the Corporation. **A REGISTERED SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE CORPORATION, TO REPRESENT HIM, HER OR IT AT THE MEETING MAY DO SO BY FILLING IN THE NAME OF SUCH PERSON IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER PROPER FORM OF PROXY.** A Registered Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must, in all cases, deposit the completed form of proxy with the Corporation's transfer agent and registrar, TSX Trust Company (the "**Transfer Agent**"), not later than 10:00 a.m. (Eastern time) on Tuesday, September 18, 2018 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays and holidays, preceding the time of such adjourned Meeting at which the form of proxy is to be used. A form of proxy should be executed by the Registered Shareholder or his or her attorney duly authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies may be deposited with the Transfer Agent using one of the following methods:

<b>By Mail or Hand Delivery:</b>	TSX Trust Company Suite 301 100 Adelaide Street West Toronto, Ontario M5H 4H1
<b>Facsimile:</b>	416-595-9593
<b>By Internet:</b>	<a href="http://www.voteproxyonline.com">www.voteproxyonline.com</a>  You will need to provide your 12 digit control number (located on the form of proxy accompanying this Management Information Circular)

A Registered Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her form of proxy is nullified with respect to the matters such person votes upon at the Meeting and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

A Registered Shareholder who has given a form of proxy may revoke the form of proxy at any time prior to using it: (a) by depositing an instrument in writing, including another completed form of proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an authorized officer or attorney thereof at, or by transmitting by telephone or electronic means, a revocation signed, subject to the provisions of the *Business Corporations Act* (Ontario), by electronic signature, to (i) the registered office of the Corporation, located at Suite 400, 365 Bay Street, Toronto, Ontario M5H 2V1, at any time prior to 5:00 p.m. (Eastern time) on the last business day preceding the day of the Meeting or any adjournment thereof or (ii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

#### EXERCISE OF DISCRETION BY PROXIES

The Common Shares represented by proxies in favour of management nominees will be voted or withheld from voting in accordance with the instructions of the Registered Shareholder on any ballot that may be called for and, if a Registered Shareholder specifies a choice with respect to any matter to be acted upon at the meeting, the Common Shares represented by the proxy shall be voted accordingly. Where no choice is specified, the proxy will confer discretionary authority and will be voted for the election of directors, for the appointment of auditors and the authorization of the directors to fix their remuneration and for each item of special business, as stated elsewhere in this Management Information Circular.

The enclosed form of proxy also confers discretionary authority upon the persons named therein to vote with respect to any amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting in such manner as such nominee in his judgment may determine. At the time of printing this Management Information Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

#### ADVICE TO NON-REGISTERED SHAREHOLDERS

**The information set forth in this section is of significant importance to many shareholders of the Corporation as a substantial number of shareholders of the Corporation do not hold Common Shares in their own name.** Only Registered Shareholders or the persons they appoint as their proxies are permitted to attend and vote at the Meeting and only forms of proxy deposited by Registered Shareholders will be recognized and acted upon at the Meeting. Common Shares beneficially owned by a beneficial holder of Common Shares who does not appear on the records maintained by the Transfer Agent as a registered holder of Common Shares (each a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary (an "**Intermediary**") with whom the Non-Registered Holder deals in respect of the Common Shares (Intermediaries include, among others, banks, trust companies,

securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) (each a "**Clearing Agency**") of which the Intermediary is a participant. Accordingly, such Intermediaries and Clearing Agencies would be the Registered Shareholders and would appear as such on the list maintained by the Transfer Agent. Non-Registered Holders do not appear on the list of the Registered Shareholders maintained by the Transfer Agent.

#### ***Distribution of Meeting Materials to Non-Registered Holders***

In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the Meeting Materials to the Clearing Agencies and Intermediaries for onward distribution to Non-Registered Holders as well as directly to NOBOs (as defined below).

Non-Registered Holders fall into two categories - those who object to their identity being known to the issuers of securities which they own ("**OBOs**") and those who do not object to their identity being made known to the issuers of the securities which they own ("**NOBOs**"). Subject to the provisions of NI 54-101, issuers may request and obtain a list of their NOBOs from Intermediaries directly or via their transfer agent and may obtain and use the NOBO list for the distribution of proxy-related materials to such NOBOs. If you are a NOBO and the Corporation or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Common Shares on your behalf.

The Corporation's OBOs can expect to be contacted by their Intermediary. The Corporation does not intend to pay for Intermediaries to deliver the Meeting Materials to OBOs and it is the responsibility of such Intermediaries to ensure delivery of the Meeting Materials to their OBOs.

#### ***Voting by Non-Registered Holders***

The Common Shares held by Non-Registered Holders can only be voted or withheld from voting at the direction of the Non-Registered Holder. Without specific instructions, Intermediaries or Clearing Agencies are prohibited from voting Common Shares on behalf of Non-Registered Holders. Therefore, each Non-Registered Holder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

The various Intermediaries have their own mailing procedures and provide their own return instructions to Non-Registered Holders, which should be carefully followed by Non-Registered Holders in order to ensure that their Common Shares are voted at the Meeting.

Non-Registered Holders will receive either a voting instruction form or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Non-Registered Holders should follow the procedures set out below, depending on which type of form they receive.

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

or,

*Form of Proxy.* Less frequently, a Non-Registered Holder will receive, as part of the Meeting Materials, a form of proxy that has already been signed by the Intermediary (typically by a facsimile, stamped signature) which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. If the Non-Registered Holder does not wish to attend and vote at the Meeting in person (or have another person attend and vote on the Non-Registered Holder's behalf), the Non-Registered Holder must complete and sign the form of proxy and in accordance with the directions on the form.

### ***Voting by Non-Registered Holders at the Meeting***

Although a Non-Registered Holder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of an Intermediary or a Clearing Agency, a Non-Registered Holder may attend the Meeting as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder and vote such Common Shares as a proxyholder. A Non-Registered Holder who wishes to attend the Meeting and to vote their Common Shares as proxyholder for the Registered Shareholder who holds Common Shares beneficially owned by such Non-Registered Holder, should (a) if they received a VIF, follow the directions indicated on the VIF; or (b) if they received a form of proxy strike out the names of the persons named in the form of proxy and insert the Non-Registered Holder's or its nominee's name in the blank space provided. Non-Registered Holders should carefully follow the instructions of their Intermediaries, including those instructions regarding when and where the VIF or the form of proxy is to be delivered.

All references to shareholders in the Meeting Materials are to Registered Shareholders as set forth on the list of registered shareholders of the Corporation as maintained by the Transfer Agent, unless specifically stated otherwise.

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

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of special shares, issuable in series. As of August 10, 2018 (the "**Record Date**"), there were a total of 30,824,173 Common Shares issued and outstanding and no special shares outstanding. Each Common Share outstanding on the Record Date carries the right to one vote at the Meeting.

Only Registered Shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting. On a show of hands, every Registered Shareholder and proxy holder will have one vote and, on a poll, every Registered Shareholder present in person or represented by proxy will have one vote for each Common Share held.

To the knowledge of the Corporation's directors and executive officers, as of the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to the outstanding Common Shares.

### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON**

No director or executive officer of the Corporation who was a director or executive officer at any time since the beginning of the Corporation's last financial year, or any associate or affiliates of any such directors or officers, has any material 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 as disclosed in this Management Information Circular.

### **PARTICULARS OF MATTERS TO BE ACTED UPON**

To the knowledge of the board of directors of the Corporation (the "**Board**"), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

#### **1. PRESENTATION OF FINANCIAL STATEMENTS**

The audited financial statements of the Corporation for the year ended March 31, 2018 and the report of the auditors will be placed before the shareholders at the Meeting. No vote will be taken on the financial statements. The financial statements and additional information concerning the Corporation are available under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

#### **2. NUMBER OF DIRECTORS**

The *Business Corporations Act* (Ontario) provides that where a minimum and maximum number of directors of a corporation is provided for in its articles, the number of directors of the corporation and the number of directors to be elected at the annual meeting of shareholders shall be such number as shall be determined from time to time by special

resolution of the shareholders. Alternatively, if the shareholders empower the directors by special resolution to determine the number of directors, the number of directors shall be such number within the minimum and maximum number of directors set out in the articles of a corporation as determined by resolution of the directors.

The articles of continuance of the Corporation (the "**Articles**") provide that the minimum number of directors of the Corporation be one and the maximum number of directors of the Corporation be 10. At the Meeting, shareholders are being asked to consider and, if deemed advisable, pass, with or without variation, a special resolution, the text of which is attached as exhibit A to the Notice of Meeting (the "**Number of Directors Resolution**"), to determine the number of directors of the Corporation and the number of directors to be elected at the Meeting to be four and to empower the directors of the Corporation, by resolution of the directors, to determine the number of directors within the minimum and maximum number of directors set out in the Articles.

Empowering the directors to determine the number of directors within the minimum and maximum range will permit management of the Corporation and the Board to offer seats on the Board to qualified and interested individuals without the delay and expense of seeking shareholder approval to an increase in the size of the Board or alternatively without requesting an incumbent director to resign in order to create a vacancy.

In order to pass the Number of Directors Resolution, at least two-thirds of the votes cast by the shareholders present at the Meeting in person or by proxy must be voted in favour of the Number of Directors Resolution. If the Number of Directors Resolution does not receive the requisite shareholder approval, the number of directors of the Corporation will be four until otherwise determined in accordance with the provisions of the *Business Corporations Act* (Ontario).

The Board recommends that shareholders vote in favour of the Number of Directors Resolution as set out above.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE NUMBER OF DIRECTORS RESOLUTION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

### 3. ELECTION OF DIRECTORS

The Board currently consists of four directors to be elected annually. The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the Meeting as management's nominees. Each director elected at the Meeting will hold office until the next annual meeting of the shareholders of the Corporation or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles, the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Ontario).

The following table states the names of the persons nominated by management for election as directors, any offices with the Corporation currently held by them, their principal occupations or employment, the period or periods of service as directors of the Corporation and the approximate number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof.

Name, province or state and country of residence and position, if any, held in the Corporation	Principal occupation	Served as Director of the Corporation since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
Gorden Glenn <sup>(4)</sup> Ontario, Canada  President, Chief Executive Officer, Chairman and Director	Executive of the Corporation and of Intercontinental Gold and Metals Ltd.	May 2012	1,429,079	4.64%

Name, province or state and country of residence and position, if any, held in the Corporation	Principal occupation	Served as Director of the Corporation since	Number of Common Shares beneficially owned, directly or indirectly, or controlled or directed at present <sup>(1)</sup>	Percentage of Voting Shares Owned or Controlled
Chris Irwin <sup>(2)(3)(5)</sup> Ontario, Canada  Interim Chief Financial Officer, Corporate Secretary and Director	Partner of Irwin Lowy LLP, a law firm	January 2009	89,101 <sup>(5)</sup>	0.29%
Brian Robertson <sup>(2)(4)</sup> Ontario, Canada  Director	Professional Engineer, President and Chief Executive Officer of Mexican Gold Corp., a mining exploration company	October 2009	126,268	0.41%
James D.A. White <sup>(2)(3)</sup> Ontario, Canada  Director	Managing Partner of Baynes & White, an actuarial firm	April 2010	256,408	0.83%

*Notes:*

- (1) *The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been furnished by the respective nominees individually.*
- (2) *Member of the Audit Committee.*
- (3) *Member of the Compensation Committee.*
- (4) *Member of the Technical Committee.*
- (5) *24,166 of such Common Shares are held by Mr. Irwin indirectly through Irwin Professional Corporation, a corporation which he controls.*

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** Management has no reason to believe that any of the nominees will be unable to serve as a director but, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR A SUBSTITUTE NOMINEE UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS.**

***Corporate Cease Trade Orders or Bankruptcies***

Other than as set forth below, no proposed director, within 10 years before the date of this Management Information Circular, has been a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to: (i) a cease trade order; (ii) an order similar to a cease trade order; or (iii) an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (collectively an "**Order**") and that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Other than as set forth below, no proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director 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.

Mr. Irwin was a Director, President and Secretary of Brighter Minds Media Inc., which is subject to a cease trade

order resulting from a failure to file financial statements dated May 8, 2009 and May 20, 2009.

### ***Personal Bankruptcies***

None of the directors of the Corporation have, within the 10 years before the date of this Management 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 such person.

### ***Penalties and Sanctions***

None of the directors of the Corporation have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

## **4. APPOINTMENT OF AUDITORS**

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF UHY MCGOVERN HURLEY LLP, CHARTERED PROFESSIONAL ACCOUNTANTS (FORMERLY MCGOVERN, HURLEY, CUNNINGHAM, LLP), AS AUDITORS OF THE CORPORATION TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THEIR REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.** UHY McGovern Hurley LLP, Chartered Professional Accountants (formerly McGovern, Hurley, Cunningham, LLP) were first appointed as the auditors of the Corporation on September 19, 1996.

## **5. APPROVAL AND CONFIRMATION OF STOCK OPTION PLAN**

The Corporation has adopted an incentive stock option plan, as amended (the "**Stock Option Plan**") for senior officers, directors, employees and consultants of the Corporation. The Stock Option Plan was approved at the last annual and special meeting of the Corporation on September 20, 2017.

The Stock Option Plan provides for the issue of stock options to acquire up to 10% of the Corporation's issued and outstanding Common Shares as at the date of grant, subject to standard anti-dilution adjustment. This is a "rolling" stock option plan as the number of Common Shares reserved for issue pursuant to the grant of stock options will increase as the number of outstanding Common Shares increases. At no time will more than 10% of the outstanding Common Shares be subject to grant under the Stock Option Plan. If a stock option expires, is exercised or otherwise terminates for any reason, the number of Common Shares in respect of that expired, exercised or terminated stock option will again be available for the purpose of the Stock Option Plan.

Under the policies of the TSX Venture Exchange ("**TSXV**"), a listed company whose common shares are listed on the TSXV is required to obtain the approval of its shareholders for a "rolling" stock option plan at each annual meeting of shareholders.

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

### **"BE IT RESOLVED THAT:**

1. the Corporation's stock option plan as described in the management information circular dated August 10, 2018 of the Corporation (the "**Stock Option Plan**"), be and is hereby approved and confirmed;
2. the Corporation be and is hereby authorized to grant stock options in the aggregate for up to 10% of the common shares of the Corporation outstanding from time to time pursuant and subject to the terms and

conditions of the Stock Option Plan; and

3. any one director or officer of the Corporation be and is hereby authorized and directed to execute and deliver on behalf of the Corporation all such documents and instruments and to do all such other acts and things as in his or her opinion may be necessary or desirable in connection with the foregoing."

For a description of the terms of the Stock Option Plan see the section entitled "Statement of Executive Compensation – Stock Option Plan and other Incentive Plans" in this Management Information Circular.

In order to confirm and approve the Stock Option Plan a majority of votes cast at the Meeting by disinterested shareholders must be voted in favour of the Stock Option Plan.

**PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS SHARES ARE TO BE VOTED AGAINST SUCH APPROVAL.**

#### STATEMENT OF EXECUTIVE COMPENSATION

Under applicable securities legislation, the Corporation is required to disclose certain financial and other information relating to the compensation of the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer of the Corporation as at March 31, 2018 whose total compensation was more than \$150,000 for the financial year of the Corporation ended March 31, 2018 (collectively the "Named Executive Officers") and for the directors of the Corporation.

#### Summary Compensation Table

The following table provides a summary of compensation paid, directly or indirectly, for each of the two most recently completed financial years of the Corporation to the Named Executive Officers and the directors of the Corporation:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES <sup>(1)</sup>							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
Gorden Glenn <sup>(2)</sup> President, Chief Executive Officer, Chairman and Director	2018	240,000	nil	nil	nil	18,000	258,000
	2017	240,000	nil	nil	nil	20,000	260,000
Chris Irwin <sup>(3)</sup> Interim Chief Financial Officer, Corporate Secretary and Director	2018	nil	nil	nil	nil	16,000	16,000
	2017	nil	nil	nil	nil	16,000	16,000
Brian Robertson Director	2018	nil	nil	nil	nil	16,000	16,000
	2017	nil	nil	nil	nil	16,000	16,000
James D.A. White Director	2018	nil	nil	nil	nil	16,000	16,000
	2017	nil	nil	nil	nil	16,000	16,000

Notes:

- (1) This table does not include any amount paid as reimbursement for expenses.
- (2) During the financial years ended March 31, 2018 and March 31, 2017, management cash fees paid to Mr. Glenn through a company controlled by Mr. Glenn were \$124,300 and \$135,600 (inclusive of HST) respectively and the balance of the contracted amounts have been accrued. These amounts are included in accounts payable and accrued liabilities in the financial statements of the Corporation.
- (3) During the financial year ended March 31, 2018, Irwin Lowy LLP, a limited liability partnership of which Mr. Irwin is a partner, was paid fees of \$68,777 for legal services. During the financial year ended March 31, 2017, Irwin Lowy LLP was paid fees of \$54,967 for legal services.
- (4) Represents director fees which have not been paid but are accrued. These amounts are included in accounts payable and accrued liabilities

in the financial statements of the Corporation.

## Stock Options and Other Compensation Securities

No compensation securities were granted to any Named Executive Officer or any director of the Corporation during the most recently completed financial year of the Corporation.

As at March 31, 2018, the Named Executive Officers and directors of the Corporation held compensation securities as set out in the table below. For the purposes of the table below, **RSUs** means the restricted share units and **DSUs** means the deferred share units, in each case issued under the RSU/DSU Plan as defined in the section entitled "Statement of Executive Compensation – Stock Option Plan and other Incentive Plans" in this Management Information Circular.

COMPENSATION SECURITIES HELD BY DIRECTORS AND NAMED EXECUTIVES OFFICERS			
Name and position	Type of compensation security	Number of compensation securities	Number of underlying securities exercised or exchanged
Gorden Glenn President, Chief Executive Officer, Chairman and Director	stock options	691,436	691,436
	RSUs	475,000	475,000
Chris Irwin <sup>(1)</sup> Interim Chief Financial Officer, Corporate Secretary and Director	stock options	300,000	300,000
	DSUs	100,000	100,000
Brian Robertson <sup>(5)</sup> Director	stock options	300,000	300,000
	DSUs	100,000	100,000
James D.A. White <sup>(6)</sup> Director	stock options	315,000	315,000
	DSUs	100,000	100,000

Notes:

(1) Mr. Irwin holds such compensation securities through Irwin Professional Corporation, a corporation which he controls.

No compensation securities were exercised by any Named Executive Officer or any director of the Corporation during the most recently completed financial year of the Corporation.

## Stock Option Plan and other Incentive Plans

The Corporation has adopted the Stock Option Plan and a restricted share unit ("**RSU**") and deferred share unit ("**DSU**") compensation plan (the "**RSU/DSU Plan**") pursuant to which stock options and RSUs and DSUs, respectively, may be granted to directors, officers, employees and consultants of the Corporation. The RSU/DSU Plan was last approved by the shareholders of the Corporation at the annual and special meeting of the shareholders of the Corporation held on August 30, 2016.

The Stock Option Plan and the RSU/DSU Plan are designed to provide a long-term incentive and to reward key individuals of the Corporation. The Stock Option Plan and the RSU/DSU Plan are integral components of the Corporation's total compensation program in terms of attracting and retaining key employees and enhancing shareholder value by aligning the interests of executives, directors and employees with the growth and profitability of the Corporation. The longer-term focus of each of the Stock Option Plan and the RSU/DSU Plan complements and balances the short-term elements of the compensation policies of the Corporation.

Pursuant to the Stock Option Plan and the RSU/DSU Plan, the Board may, on the recommendation of the Compensation Committee, grant from time to time to directors, officers, employees and consultants of the Corporation stock options to purchase Common Shares, RSUs and DSUs that entitle holders to receive Common Shares upon

vesting conditions being satisfied. In determining the number of stock options, RSUs and DSUs to be granted to eligible persons, the Compensation Committee considers the amount, terms and vesting levels of existing stock options, RSUs and DSUs held by the eligible persons and also the number remaining available for grant by the Corporation in the future under the Stock Option Plan and the RSU/DSU Plan to attract and retain qualified key individuals.

The aggregate number of Common Shares reserved for issue pursuant to the RSU/DSU Plan and the Stock Option Plan may not exceed 20% of the issued and outstanding Common Shares from time to time (the "**20% Rule**").

The number of Common Shares which may be reserved for issue under the RSU/DSU Plan is limited to 2,160,307 Common Shares, representing 10% of the outstanding number of Common Shares on August 30, 2016, the date on which the shareholders of the Corporation last approved the RSU/DSU Plan. As at the date hereof, an aggregate of 975,000 RSUs and DSUs are outstanding, 825,000 have been forfeited or expired and 360,307 are still available for issue, subject to the 20% Rule.

The number of Common Shares which may be reserved for issue under the Stock Option Plan is limited to 10% of the issued and outstanding number of Common Shares as at the date of the grant of stock options. As at the date hereof, 3,082,417 stock options may be reserved for issue pursuant to the Stock Option Plan, 2,275,000 stock options have been issued and 807,417 stock options are still available for issue, subject to the 20% Rule.

### ***Stock Option Plan***

The Corporation has in place a "rolling" Stock Option Plan which was last approved by the shareholders of the Corporation on September 20, 2017.

The term of any stock options granted under the Stock Option Plan will be fixed by the Board at the time such stock options are granted, provided that stock options will not be permitted to exceed a term of 10 years. The maximum number of Common Shares which may be reserved for issue to any one individual during any 12 month period under the Stock Option Plan is 5% of the stock options available for issue under the Stock Option Plan, unless disinterested shareholders approval is received. In addition, the maximum number of Common Shares which may be reserved for issue to any consultant of the Corporation during any 12 month period under the Stock Option Plan is 2% of the stock options available for issue under the Stock Option Plan. The maximum number of Common Shares which may be reserved for issue to employees conducting investor relations activities during any 12 month period under the Stock Option Plan is 2% of the aggregate number of stock options available for issue under the Stock Option Plan. Any Common Shares subject to a stock option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The exercise price of any stock option cannot be less than the closing price of the Common Shares on the day immediately preceding the day upon which the stock option is granted, less any discount permitted by the policies of the TSXV. The stock options are non-assignable and non-transferable. Stock options granted under the Stock Option Plan can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan or within a reasonable period (set by the Board in each case) after ceasing to be an eligible optionee, or, if the optionee dies, within one year after the date of the optionee's death. On the occurrence of a takeover bid, issuer bid or going private transaction, the Board will have the right to accelerate the date on which any stock option becomes exercisable. The Stock Option Plan contains provisions for adjustment in the number of Common Shares issuable thereunder in the event of a subdivision, consolidation, reclassification or change of the Common Shares, a merger or other relevant changes in the Corporation's capitalization.

### ***RSU/DSU Plan***

Under the RSU/DSU Plan, RSUs are performance based share units which will be granted to Participants (as defined in the RSU/DSU Plan) in the RSU/DSU Plan based on both individual and corporate performance criteria as determined by the Board or the Granting Authority (as defined in the RSU/DSU Plan). The RSUs are paid out to the Participant at no later than three years from the year in which the RSUs were granted. Non-vested RSUs are forfeited if the Participant voluntarily leaves his or her employment with the Corporation. RSUs provide the Corporation with a more transparent and objective tool for rewarding performance or compensating Participants, while providing the Participant with a better defined incentive award.

The proposed RSU/DSU Plan also makes provision for the use of DSUs as partial payment of a Participant's fees. A DSU is a notional share that has the same value as one Common Share as at the grant date. Under the RSU/DSU Plan, a Participant may choose, with the consent of the Corporation, to take all or part of their fees in DSUs. DSUs are paid out to the Participants as Common Shares when they retire from or no longer service the Corporation. A retiring Participant can defer the payout of his/her DSUs to the year following his/her departure from the Corporation. The use of DSUs has the advantage of encouraging higher levels of share ownership by the Participants, thereby aligning their interests more closely with that of the Corporation while also preserving cash for the Corporation.

The following is a summary of the additional important provisions of the RSU/DSU Plan. It is not a comprehensive discussion of all of the terms and conditions of the RSU/DSU Plan.

**Purpose:** The RSU/DSU Plan advances the interests of the Corporation by encouraging employees, consultants and non-employee directors to receive equity-based compensation and incentives, thereby (i) increasing the proprietary interests of such persons in the Corporation, (ii) aligning the interests of such persons with the interests of the Corporation's shareholders generally, (iii) encouraging such persons to remain associated with the Corporation, and (iv) furnishing such persons with additional incentive in their efforts on behalf of the Corporation. Under the RSU/DSU Plan, no cash settlements will be made in respect of vested RSUs or DSUs, as settlement will be in the form of Common Shares only.

**Eligible Persons:** Under the RSU/DSU Plan, Awards (as defined in the RSU/DSU Plan) may be granted to any non-employee director, officer, employee or consultant, or any of its designated affiliates. A Participant (also known as a Grantee as defined in the RSU/DSU Plan) is an eligible person to whom an Award has been granted under the RSU/DSU Plan.

**Number of Securities Issued or Issuable:** Subject to the adjustment provisions provided for in the RSU/DSU Plan and the applicable rules and regulations of all regulatory authorities to which the Corporation is subject (including any stock exchange), the total number of Common Shares reserved for issue pursuant to the RSU/DSU Plan and the Stock Option Plan may not exceed 20% of the issued and outstanding Common Shares from time to time.

**Unlike the terms of the Stock Option Plan, if an outstanding Award under the RSU/DSU Plan for any reason expires or is terminated or is cancelled without having been exercised or settled in full, the Common Shares will not be available for re-issue under the RSU/DSU Plan unless appropriate shareholder approval has been received.**

**Maximum Grant to Any One Participant:** The number of Common Shares issued to insiders within any one year period and issuable to the insiders at any time, under the RSU/DSU Plan when combined with all the other security based compensations arrangements of the Corporation (as determined under the rules of the TSXV) may not exceed 20% of the total issued and outstanding Common Shares from time to time; and the number of Common Shares issued, or reserved for issue with respect to Awards, to any one individual within any one year period under the RSU/DSU Plan and all other security based compensations arrangements of the Corporation (as determined under the rules of the TSXV) may not exceed 5% of the total issued and outstanding Common Shares.

For the purposes of determining compliance with the above restrictions, the Granting Authority will take into account Common Shares reserved or issued pursuant to stock options together with Common Shares reserved or issued pursuant to all other security based compensations arrangements of the Corporation to the extent required by applicable law and applicable rules of the TSXV.

**Restricted Share Units:** RSUs granted pursuant to the RSU/DSU Plan will be used to compensate Participants for their individual performance based achievements and are intended to supplement stock option awards in this specific respect. The goal of such grants is to more closely tie Awards to individual performance based on established Performance Criteria (as defined in the RSU/DSU Plan).

**Vesting of Restricted Share Units:** The Granting Authority may determine the vesting schedule of any RSUs at the time of grant. Notwithstanding such determination, in the event of a Change of Control (as defined in the RSU/DSU Plan) while the Grantee is employed by the Corporation or a wholly owned subsidiary of the Corporation (a "Subsidiary") or in the event that the Grantee terminates employment with the Corporation and its Subsidiaries by reason of Eligible Retirement (as defined in the RSU/DSU Plan), death or total disability (as determined by the

Granting Authority in good faith) (each an "**Accelerated Vesting Event**"), the non-vested RSUs will: (i) in the case of a Change of Control, Eligible Retirement or death being the Accelerated Vesting Event, immediately become 100% vested, or (ii) in the case of total disability being the Accelerated Vesting Event, vest on the sixtieth (60th) day following the Grantee's termination.

If the Grantee terminates employment with the Corporation and its Subsidiaries for any reason other than such Eligible Retirement, total disability or death or termination without cause, any non-vested RSUs granted thereunder will be immediately cancelled without liability or compensation therefor and be of no further force and effect. For clarity, where the Grantee voluntarily terminates his/her employment with the Corporation or is otherwise terminated by the Corporation for cause, all non-vested RSUs of the Grantee will be immediately cancelled without compensation or liability therefor and be of no further force and effect.

**Settlement of Vested Units:** Payment to the Grantee in respect of vested RSUs will be made in the form of Common Shares only and will be evidenced by book entry registration or by a certificate registered in the name of the Grantee as soon as practicable following the date on which the units become vested; provided that the settlement date may not be later than the third anniversary of the date of grant and all payments in respect of vested RSUs in the Grantee's notional account maintained by the Corporation will be paid in full on or before December 31 of the same calendar year.

**Deferred Share Units:** DSUs granted pursuant to the RSU/DSU Plan will be used as a means of reducing the cash payable by the Corporation in respect of a Participant's compensable amounts. In so doing, the interests of a Participant will become more closely aligned with those of the Corporation and its shareholders. Vested DSUs will be settled upon the third business day (or such other period of time as permitted by the Granting Authority under the grant agreement) following the Eligible Retirement or death of the applicable Participant or at the time the Participant otherwise ceases to hold office subject to payment or other satisfaction of all related withholding obligations in accordance with the provisions of the RSU/DSU Plan.

**Vesting of Deferred Share Units:** Subject to the vesting provisions otherwise stipulated by the Granting Authority, where a Grantee is terminated for cause or where a non-employee director resigns or is otherwise removed as a result of losing his/her eligibility to serve on the Board due to an order by a regulatory body or stock exchange or for culpable conduct as determined by the Granting Authority, all unvested DSUs in the Grantee's notional account maintained by the Corporation will be immediately cancelled without liability or compensation therefor and be of no further force and effect (unless otherwise determined by the Granting Authority).

Notwithstanding the vesting provisions above, in the event of a Change of Control while the Grantee is employed by or is a director of the Corporation or a related entity or in the event of the Grantee being terminated without cause, the non-vested DSUs will immediately become 100% vested.

**Assignability:** Awards granted under the RSU/DSU Plan are non-transferable and non-assignable to anyone other than to the estate of a Participant in the event of death and then only in accordance with the terms of the RSU/DSU Plan.

**Procedure for Amending:** Subject to the terms of the RSU/DSU Plan and any applicable requirements of the TSXV, the Granting Authority has the right at any time to amend the RSU/DSU Plan or any Award agreement thereunder, provided that disinterested shareholder approval has been obtained by ordinary resolution. Notwithstanding the foregoing, shareholder approval is not required for the amendments set out below:

- (a) amendments of a technical, clerical or "housekeeping" nature including, without limiting the generality of the foregoing, any amendments for the purpose of curing any ambiguity, error or omission in the RSU/DSU Plan or to correct or supplement any provision of the RSU/DSU Plan that is inconsistent with any other provision of the RSU/DSU Plan;
- (b) amendments necessary to comply with the provisions of applicable law and the applicable rules of the TSXV;
- (c) amendments necessary in order for Awards to qualify for favourable treatment under the *Income Tax Act* (Canada) or under the United States *Internal Revenue Code*;

- (d) amendments respecting administration of the RSU/DSU Plan including, without limitation, the method or manner of exercise of any Award;
- (e) any amendments to the vesting provision of the RSU/DSU Plan or any Award;
- (f) any amendments to the early termination provisions of the RSU/DSU Plan or any Award, whether or not such Award is held by an insider, provided such amendment does not entail an extension of an Award beyond the original expiry date;
- (g) any amendments in the termination provision of the RSU/DSU Plan or any Award, other than an Award held by an insider in the case of an amendment extending the term of an Award, provided any such amendment does not entail an extension of the expiry date of such Awarded beyond its original expiry date;
- (h) the addition of any form of financial assistance by the Corporation for the acquisition by all or certain categories of Participants of Common Shares under the RSU/DSU Plan, and the subsequent amendment of any such provision;
- (i) the addition or modification of a cashless exercise feature, payable in cash or Common Shares, which provides for a full deduction of the number of underlying Common Shares from the RSU/DSU Plan reserve;
- (j) adjustments to outstanding Awards in the event of a Change of Control or similar transaction entered into by the Corporation;
- (k) amendments necessary to suspend or terminate the RSU/DSU Plan; and
- (l) any other amendment, whether fundamental or otherwise, not requiring shareholder approval under applicable law or the rules of the TSXV.

**Financial Assistance:** The Corporation does not provide financial assistance to Participants to facilitate the purchase of Common Shares upon the exercise of options granted under the RSU/DSU Plan.

**Other Material Information:** Appropriate adjustments to the RSU/DSU Plan and to Awards granted thereunder will be made by the Corporation to give effect to adjustments in the number and type of Common Shares (or other securities or other property) resulting from subdivisions, consolidations, substitutions, or reclassifications of Common Shares, payment of stock dividends or other prescribed changes in the Corporation's capital. In the event of any merger, acquisition, amalgamation, arrangement or other scheme of reorganization that results in a Change of Control, the Corporation may take whatever action with respect to the Awards outstanding that it deems necessary or desirable including accelerating the vesting date of Awards to the date which is immediately preceding the Change of Control. Moreover, if approved by the Board prior to or within 30 days after such time as a Change of Control is deemed to have occurred, the Board has the right to require that all or any portion of the Awards be settled and discharged in cash based on the "cash value" of such Awards in lieu of settlement by issue of Common Shares.

The Corporation has no equity compensation plans other than the Stock Option Plan and the RSU/DSU Plan.

### **Employment, Consulting and Management Agreements**

The Corporation has in place the following employment agreements between the Corporation or any subsidiary or affiliate thereof and its Named Executive Officers:

#### ***Gorden Glenn***

Mr. Glenn, through a company controlled by Mr. Glenn, entered into a management agreement dated August 1, 2012 with the Corporation pursuant to which Mr. Glenn is paid a consulting fee of \$20,000 per month. The management agreement may be terminated by the Corporation at any time upon providing 90 days' written notice of termination.

In the event of early termination of the management agreement, Mr. Glenn will be entitled to a payment equal to 12 months of management fees equal to \$240,000.00 plus HST. In the event of a change of control of the Corporation, Mr. Glenn will be entitled to payment in an amount equal to 24 months of management fees equal to \$480,000.00 plus HST.

There are no employment agreements in place with any of the directors of the Corporation.

## **Oversight and Description of Director and Named Executive Officer Compensation**

### *Compensation of Directors*

The Corporation has a compensation committee (the "**Compensation Committee**") and it consists of James White (Chair) and Chris Irwin. Mr. White is considered to be independent. The Compensation Committee, on behalf of the Board, monitors compensation of executive officers of the Corporation. The Compensation Committee is responsible for the development and supervision of the Corporation's approach to compensation for directors, officers and senior management as well as bonuses and any increases in compensation to employees or staff that would have a material impact on the Corporation's expenses.

The Board, at the recommendation of the Compensation Committee, determines the compensation payable to the directors of the Corporation and reviews such compensation periodically throughout the year. For their role as directors of the Corporation, each director of the Corporation receives fees in the amount of \$10,000 a year, the Chairman of the Board receives \$14,000 a year, and, in each case, \$500 for each meeting attended. The directors may, from time to time, be awarded stock options under the provisions of the Stock Option Plan or RSUs or DSUs under the RSU/DSU Plan. There are no other arrangements under which the directors of the Corporation were compensated by the Corporation or its subsidiaries during the most recently completed financial year end for their services in their capacity as directors of the Corporation.

### *Compensation of Named Executive Officers*

#### Principles of Executive Compensation

The Corporation believes in linking an individual's compensation to his or her performance and contribution as well as to the performance of the Corporation as a whole. The primary components of the Corporation's executive compensation are base salary and stock option or share-based awards. The Board believes that the mix between base salary and incentives must be reviewed and tailored to each executive based on their role within the organization as well as their own personal circumstances. The overall goal is to successfully link compensation to the interests of the shareholders. The following principles form the basis of the Corporation's executive compensation program:

1. align interest of executives and shareholders;
2. attract and motivate executives who are instrumental to the success of the Corporation and the enhancement of shareholder value;
3. pay for performance;
4. ensure compensation methods have the effect of retaining those executives whose performance has enhanced the Corporation's long term value; and
5. connect, if possible, the Corporation's employees into principles 1 through 4 above.

Management has direct involvement in and knowledge of the business goals, strategies, experiences and performance of the Corporation. The Chief Executive Officer makes recommendations to the Board regarding the amount and type of compensation awards for other members of executive management. The Chief Executive Officer does not engage in discussions with the Board regarding his own compensation.

The Board, at the recommendation of the Compensation Committee approves, or recommends for approval, all

compensation to be awarded to the Named Executive Officers within the constraints of the agreements described under the section entitled "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*" in this Management Information Circular. The Compensation Committee also has the responsibility to make recommendations concerning annual bonuses and grants to eligible persons under the Stock Option Plan and the RSU/DSU Plan.

The Board may direct the Compensation Committee and management to gather information on its behalf and provide initial analysis and commentary. The Board reviews this material along with other information received from any external advisors which may be retained in its deliberations before considering or making decisions. The Board has full discretion to adopt or alter management recommendations.

#### Base Salary

The Board approves the salary ranges for the Named Executive Officers. The base salary review for each Named Executive Officer is based on assessment of factors such as current competitive market conditions, compensation levels within the peer group and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. No specific weightings are assigned to each factor, but rather, a subjective determination is made based on a general assessment of the performance of the individual relative to such factors. Comparative data for the Corporation's peer group is also accumulated from a number of external sources including independent consultants. The Corporation's policy for determining salary for executive officers of the Corporation is consistent with the administration of salaries for all other employees.

#### Annual Incentives

The Named Executive Officers have an opportunity to earn annual incentive compensation payable as a cash bonus, however the Corporation is not currently awarding any such annual incentives. The annual incentive compensation is intended to link pay to annual performance that will drive shareholder value so the Corporation may, in its discretion, award such incentives in the future in order to motivate executives to achieve short-term corporate goals. The Compensation Committee approves annual incentives.

The success of Named Executive Officers in achieving their individual objectives and their contribution to the Corporation in reaching its overall goals are factors in the determination of their annual bonus. The Board assesses each Named Executive Officers' performance on the basis of his or her respective position and contribution to the achievement of the predetermined corporate objectives, as well as to needs of the Corporation that arise on a day to day basis. Annual incentive compensation is tied to corporate and individual performance. This assessment is used by the Board in developing its recommendations with respect to the determination of annual bonuses for the Named Executive Officers.

#### Compensation and Measurements of Performance

It is the intention of the Board to approve targeted amounts of annual incentives for each Named Executive Officer at the beginning of each financial year. The targeted amounts will be determined by the Board based on a number of factors, including comparable compensation of similar companies.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day to day corporate activities, will trigger the award of a bonus payment to the Named Executive Officers. The Named Executive Officers will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Board's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Board and the Board reserves the right to make positive or negative adjustments to any bonus payment if they consider them to be appropriate.

#### Long Term Compensation

The Corporation currently has no long-term incentive plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan and RSUs and DSUs granted by the Board under the RSU/DSU Plan.

## Pension Disclosure

There are no pension plan benefits in place for the Named Executive Officers or the directors of the Corporation.

## Termination and Change of Control Benefits

The Corporation does not have in place any pension or retirement plan. The Corporation has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as a Named Executive Officer or director of the Corporation in connection with or related to the retirement, termination or resignation of such person. The Corporation has not provided any compensation to such persons as a result of a change of control of the Corporation, its subsidiaries or affiliates. Except as set forward under the section entitled "*Statement of Executive Compensation – Employment, Consulting and Management Agreements*" in this Management Information Circular, the Corporation is not party to any compensation plan or arrangement with Named Executive Officers or directors of the Corporation resulting from the resignation, retirement or the termination of employment of such person.

## SECURITIES AUTHORIZED FOR ISSUE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all compensation plans of the Corporation under which equity securities are authorized for issue as of March 31, 2018:

### Equity Compensation Plan Information

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 issue under equity compensation plans (#)
Equity compensation plans approved by securityholders (Stock Option Plan <sup>(1)</sup> )	2,275,000	0.52	807,417
Equity compensation plans approved by securityholders (RSU/DSU Plan <sup>(2)</sup> )	975,000	n/a	360,307
Equity compensation plans not approved by securityholders	nil	nil	nil
<b>Total</b>	<b>3,250,000</b>	<b>0.52</b>	<b>1,167,724</b>

Notes:

- (1) The Stock Option Plan is a "rolling" stock option plan whereby the maximum number of Common Shares that may be reserved for issue pursuant to the Stock Option Plan will not exceed 10% of the outstanding Common Shares at the time of the stock option grant. As at the date of this Management Information Circular, 3,082,417 stock options are authorized for issue under the Stock Option Plan, 2,275,000 stock options are outstanding and an additional 807,417 Common Shares are reserved for issue and remain available for future issue, subject to the 20% Rule.
- (2) Based on the terms of the RSU/DSU Plan as approved by shareholders on August 30, 2016, as at the date of this Management Information Circular, the Corporation is authorized to issue RSUs and DSUs of up to 2,160,307, an aggregate, an aggregate of 975,000 RSUs and DSUs are outstanding, 825,000 RSUs and DSUs have been forfeited or expired and an additional aggregate of 360,307 RSUs and DSUs remain available for future issue, subject to the 20% Rule.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in this Management Information Circular, no director, executive officer or principal shareholder of the Corporation, or associate or affiliate of any of the foregoing, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year end of the Corporation or in any proposed transaction that has materially affected or will materially affect the

Corporation.

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

No director or officer of the Corporation or person who acted in such capacity in the last financial year of the Corporation, or any other individual who at any time during the most recently completed financial year of the Corporation was a director of the Corporation or any associate of the Corporation, is indebted to the Corporation, nor is any indebtedness of any such person to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

## **AUDIT COMMITTEE INFORMATION REQUIRED IN THE INFORMATION CIRCULAR OF A VENTURE ISSUER**

National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") requires that certain information regarding the Audit Committee of a "venture issuer" (as that term is defined in NI 52-110) be included in the management information circular sent to shareholders in connection with the issuer's annual meeting. The Corporation is a "venture issuer" for the purposes of NI 52-110.

### **Audit Committee Charter**

The full text of the charter of the Audit Committee of the Corporation is attached hereto as appendix A (the "**Audit Committee Charter**").

### **Composition of the Audit Committee**

The Audit Committee members are currently James White (Chair), Chris Irwin and Brian Robertson, each of whom is a director and financially literate. Messrs. White and Robertson are each independent in accordance with NI 52-110.

### **Relevant Education and Experience**

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities as an Audit Committee member and, in particular, any education or experience that would provide the member with:

1. an understanding of the accounting principles used by the Corporation to prepare its financial statements;
2. the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;
3. experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more persons engaged in such activities; and
4. an understanding of internal controls and procedures for financial reporting.

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

***James White, Director*** – Mr. White (Chair) is Managing Partner of Baynes & White, a Toronto, Ontario based pension and benefits actuarial consulting firm, in which capacity he has served since 1993. Prior to founding Baynes & White in 1993, he was Chief Operating Officer for seven years at T.I. Benefit Consultants, a pension and benefits actuarial consulting firm. In the 1970s and early 1980s, Mr. White worked in various part-time capacities in the mining exploration and production fields in northern Ontario, Quebec and the Arctic with consulting geologists Derry, Michner & Booth, Falconbridge and junior exploration companies Dejour Mines and Q.C. Explorations. Mr. White was a director and member of the Audit Committee of Patricia Mining Corp. (TSXV:PAT) until its acquisition in

2008, and was a director and member of the audit committee of Matamec Explorations Inc. (TSXV:MAT) from 2006 to 2009. He is a director of Currency Exchange International, Corp (TSX:CXI.S) and also a director of exploration company, Explorers Alliance Corporation, and soft minerals processing company, Normiska Corporation.

**Chris Irwin, Director** – Mr. Irwin is a graduate of Bishop's University (B.A., 1990), the University of New Brunswick (Bachelor of Laws, 1994) and Osgoode Hall Law School (Masters of Laws, 2009). He was called to the Bar of Ontario in 1996. Mr. Irwin represents several public companies, is an officer and/or director of several public companies, and serves or has served on the audit committee of several public companies.

**Brian Robertson, Director** – Mr. Robertson holds a B.Sc. Mining Engineering, a Graduate Diploma in Business Administration from Laurentian University, Sudbury, Ontario and is a Professional Engineer registered in Ontario. Mr. Robertson has extensive experience in financial matters related to public companies gained as President and Chief Executive Officer of Mexican Gold Corp. as well as former President of Nuinsco Resources Ltd. and Victory Nickel Ltd. Mr. Robertson has played a key role in a number of financings for both public and private companies.

### **Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

### **Reliance on Exemptions in NI 52-110 regarding**

#### ***De Minimis Non-audit Services or on a Regulatory Order Generally***

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

1. the exemption in section 2.4 (*De Minimis Non-audit Services*) of NI 52-110 (which exempts all non-audit services provided by the Corporation's auditor from the requirement to be pre-approved by the Audit Committee if such services are less than 5% of the auditor's annual fees charged to the Corporation, are not recognized as non-audit services at the time of the engagement of the auditor to perform them and are subsequently approved by the Audit Committee prior to the completion of that year's audit); or
2. an exemption from the requirements of NI 52-110, in whole or in part, granted by a securities regulator under Part 8 (*Exemptions*) of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter.

### **Audit Fees**

The following table provides details in respect of audit, audit related, tax and other fees billed by the external auditor of the Corporation for professional services rendered to the Corporation during the fiscal years ended March 31, 2018 and March 31, 2017:

	<b>Audit Fees (\$)</b>	<b>Audit-Related Fees (\$)</b>	<b>Tax Fees (\$)</b>	<b>All Other Fees (\$)</b>
<b>Year ended March 31, 2018</b>	18,000	nil	1,200	nil
<b>Year ended March 31, 2017</b>	17,000	nil	1,200	nil

Audit Fees – aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's

annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees – aggregate fees billed for professional services rendered by the auditor and were comprised primarily of audit procedures performed related to the review of quarterly financial statements and related documents.

Tax Fees – aggregate fees billed for tax compliance, tax advice and tax planning professional services. These services included reviewing tax returns and assisting in responses to government tax authorities.

All Other Fees – aggregate fees billed for professional services which included accounting advice.

## REPORT ON CORPORATE GOVERNANCE

The Corporation believes that adopting and maintaining appropriate governance practices is fundamental to a well-run company, to the execution of its chosen strategies and to its successful business and financial performance. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* (collectively the "**Governance Guidelines**") of the Canadian Securities Administrators set out a list of non-binding corporate governance guidelines that issuers are encouraged to follow in developing their own corporate governance guidelines. In certain cases, the Corporation's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Corporation at its current stage of development and therefore these guidelines have not been adopted. The Corporation will continue to review and implement corporate governance guidelines as the business of the Corporation progresses and becomes more active in operations.

The following disclosure is required by the Governance Guidelines and describes the Corporation's approach to governance and outlines the various procedures, policies and practices that the Corporation and the Board have implemented.

### Board of Directors

The Board is currently composed of four directors. Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* ("**Form 58-101F2**") requires disclosure regarding how the Board facilitates its exercise of independent supervision over management of the Corporation by providing the identity of directors who are independent and the identity of directors who are not independent and the basis for that determination. NI 52-110 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 Board, be reasonably expected to interfere with the exercise of a director's independent judgment. In addition, under NI 52-110, an individual who is, or has been within the last three years, an employee or executive officer of an issuer, is deemed to have a "material relationship" with the issuer. Accordingly, of the proposed director nominees, Gordon Glenn, President and Chief Executive Officer and Chris Irwin, Interim Chief Financial Officer, are each considered not to be "independent". The remaining two proposed directors, Mr. White and Mr. Robertson, are considered by the Board to be "independent", within the meaning of NI 52-110. In assessing Form 58-101F2 and making the foregoing determinations, the Board has examined the circumstances of each director in relation to a number of factors.

### Directorships

The following table sets forth the directors, and proposed director nominees, of the Corporation who currently hold directorships with other reporting issuers:

Name of Director	Reporting Issuer
Gordon Glenn	Intercontinental Gold and Metals Ltd., Aurora Gold Corp. and Mexican Gold Corp.
Chris Irwin	Argo Gold Inc., Roscan Minerals Corporation, Deveron UAS Corp., Intercontinental Gold and Metals Ltd., Greencastle Resources Ltd., Hornby Bay Mineral Exploration Ltd., Open Source Health Inc., and Drone Delivery Canada Corp.
Brian Robertson	Mexican Gold Corp., Romios Gold Resources Ltd. and Apia Energy Corp.

## **Board Committees**

The Board has constituted three committees. The following directors are the current members of the following committees:

- *Audit Committee:* James White (Chair), Chris Irwin and Brian Robertson.
- *Compensation Committee:* James White (Chair) and Chris Irwin.
- *Technical Committee:* Brian Robertson (Chair) and Gorden Glenn.

Members of these committees are appointed annually to hold office until the next annual meeting of the shareholders of the Corporation or until their successors are appointed.

### *Audit Committee*

The Audit Committee is composed of three directors as named above, two of whom are "independent". The operation of the Audit Committee is described in the section entitled "*Audit Committee Information Required in the Information Circular of a Venture Issuer*" in this Management Information Circular.

### *Compensation Committee*

The Compensation Committee is composed of two directors, one of whom is "independent". The Compensation Committee is responsible for: (i) reviewing and approving corporate goals and objectives relevant to the compensation of the chief executive officer of the Corporation, evaluating the performance of the chief executive officer of the Corporation in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to the compensation level of the chief executive officer of the Corporation based on this evaluation); (ii) making recommendations to the Board with respect to other officers and directors compensation and incentive-compensation plans; and, (iii) reviewing the executive compensation disclosure before the Corporation publicly discloses this information.

### *Technical Committee*

The Technical Committee is composed of two directors, one of whom is "independent". The Technical Committee is primarily responsible for activities pertaining to technical matters relating to the business of the Corporation and for activities relating to the corporate responsibility of the business of the Corporation. The responsibilities of the Technical Committee include:

- technical matters that encompass activities relating to exploration, project development, permitting and reserves and resources; and
- corporate responsibility matters that encompass all of those activities through which the Corporation seeks to integrate the public interest into its day-to-day activities, decision-making, and business planning including the Corporation's performance relating to safety, health, environmental stewardship, local communities and its engagement with employees, shareholders, suppliers, communities, governments, non-governmental organizations and other stakeholders.

## **Orientation and Continuing Education**

The Board does not have a formal orientation or education program for its members. The Board's continuing education is typically derived from correspondence with the Corporation's legal counsel to remain up to date with developments in relevant corporate and securities law matters. Additionally, historically board members who are familiar with the Corporation and the nature of its business have been nominated.

## **Ethical Business Conduct**

The Board has not adopted guidelines or attempted to quantify or stipulate steps to encourage and promote a culture of ethical business conduct, but does promote ethical business conduct designed to promote integrity and to deter

wrongdoing through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members independent of corporate matters.

### **Nomination of Directors**

The recruitment of new directors has generally resulted from recommendations made by directors and shareholders. The assessment of the contributions of individual directors has principally been the responsibility of the Board. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

### **Other Board Committees**

The Board currently does not have any standing committees other than as set out under the section entitled "*Report on Corporate Governance – Board Committees*" in this Management Information Circular.

### **Assessments**

The Board monitors but does not formally assess the effectiveness and contribution of the Board, its committees and individual Board members. To date, the Board has satisfied itself, through informal discussions that the Board, its committees and individual Board members are performing effectively.

## **OTHER MATTERS**

The management of the Corporation knows of no other matters to come before the Meeting other than as set forth in the Notice of Meeting. **However, if other matters which are not known to management should properly come before the Meeting, the accompanying form of proxy will be voted on such matters in accordance with the best judgment of the person or persons voting the proxy.**

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com).

Shareholders may contact the Corporation in order to request copies of: (i) this Management Information Circular; and (ii) the Corporation's financial statements and the related management's discussion and analysis (the "**MD&A**") which will be sent to the shareholder without charge upon request. Financial information is provided in the Corporation's financial statements and MD&A for the financial year ended March 31, 2018 of the Corporation.

## **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Management Information Circular have been approved, and the delivery of it to each shareholder entitled thereto and to the appropriate regulatory agencies has been authorized by the Board.

**DATED** at Toronto, Ontario, on the 10<sup>th</sup> day of August, 2018.

### **BY ORDER OF THE BOARD**

*"Gorden Glenn" (signed)*  
President and Chief Executive Officer

## APPENDIX A

### MINNOVA CORP.

#### CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

##### I. PURPOSE

The audit committee (the "**Committee**") is appointed by the board of directors (the "**Board**") of Minnova Corp. (the "**Company**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting process and internal controls for the Company. The Committee's primary duties and responsibilities are to:

- conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- assess the integrity of internal controls and financial reporting procedures of the Company and ensure the implementation of such controls and procedures;
- ensure there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel;
- review the condensed interim financial statements, annual financial statements and the management's discussion and analysis of the Company's financial position and operating results and report thereon to the Board for approval of same;
- select and monitor the independence and performance of the Company's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and,
- provide oversight to related party transactions entered into by the Company.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors as well as any officer of the Company, or outside counsel for the Company, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Company and has the authority to retain, at the expense of the Company, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part IV of this Charter.

##### II. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have 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 advisors employed by the Committee; and,
- (c) communicate directly with the internal and external auditors.

### III. COMPOSITION AND MEETINGS

1. The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("OSC"), the TSX Venture Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.
2. The Committee shall be composed of three or more directors as shall be designated by the Board from time-to-time. The members of the Committee shall appoint from among themselves a member who shall serve as Chair.
3. A majority of the members of the Committee shall not be officers or employees of the Company or any of its affiliates.
4. The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.
5. If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present.
6. If and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office.
7. The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time-to-time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours notice, provided that no notice of a meeting shall be necessary if all of the members are present, either in person or by means of conference telephone, or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
8. Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
9. The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.
10. The Committee may invite such officers, directors and employees of the Company, and its subsidiaries, as the Committee may see fit from time to time, to attend at meetings of the Committee.
11. Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation.

The Committee members will be elected annually at the first meeting of the Board following the annual meeting of shareholders.

## **IV. RESPONSIBILITIES**

### **A. Financial Accounting and Reporting Process and Internal Controls**

1. The Committee shall review the annual audited financial statements to satisfy itself that they are presented in accordance with applicable International Financial Reporting Standards ("**IFRS**"), as issued by the International Accounting Standards Board ("**IASB**") and International Financial Reporting Interpretations Committee ("**IFRIC**"), and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
2. The Committee shall review any internal control reports prepared by management and the evaluation of such report by the external auditors, together with management's response.
3. The Committee shall be satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, management's discussion and analysis and interim earnings press releases, and periodically assess the adequacy of these procedures.
4. The Committee shall review management's discussion and analysis relating to annual and interim financial statements and any other public disclosure documents, including interim earnings press releases, that are required to be reviewed by the Committee under any applicable laws before the Company publicly discloses this information.
5. The Committee shall meet no less frequently than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Company in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Company in charge of financial matters, deem appropriate.
6. The Committee shall inquire of management and the external auditors about significant risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
7. The Committee shall review the post-audit or management letter containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
8. The Committee shall ensure that there is an appropriate standard of corporate conduct including, if necessary, adopting a corporate code of ethics for senior financial personnel.
9. The Committee shall establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and,
  - (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
10. The Committee shall provide oversight to related party transactions entered into by the Company.

### **B. Independent Auditors**

1. The Committee shall recommend to the Board the external auditors to be nominated, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors report directly to the Committee.
2. The Committee shall be directly responsible for overseeing the work of the external auditors, including the resolution of disagreements between management and the external auditors regarding financial reporting.
3. The Committee shall pre-approve all audit and non-audit services not prohibited by law to be provided by the external auditors in accordance with the terms of this charter.
4. The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors.
5. The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
6. The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
7. The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within IFRS that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Company and the external auditors.
8. The Committee shall review fees paid by the Company to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
9. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Company.
10. The Committee shall monitor and assess the relationship between management and the external auditors and monitor and support the independence and objectivity of the external auditors.

**C. Other Responsibilities**

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

