

INFORMATION CIRCULAR

(all information as at September 17, 2018 unless otherwise noted),

PERSONS MAKING THE SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies being made by the management of **King's Bay Resources Corp.** (the "**Company**") for use at the Annual General and Special Meeting of the Company's shareholders (the "**Meeting**") to be held on **October 17, 2018** at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be made primarily by mail, proxies may be solicited personally or by telephone by directors, officers and employees of the Company. All costs of this solicitation will be borne by the Company.

DATE AND CURRENCY

The date of this Information Circular is September 17, 2018 unless otherwise stated. All amounts herein are in Canadian dollars.

GENERAL PROXY INFORMATION

Management Solicitation

The solicitation of proxies by the management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Appointment of Proxies

Registered shareholders are entitled to vote at the Meeting. A shareholder is entitled to one vote for each common share that such shareholder holds on the record date of **September 10, 2018** (the "**Record Date**") on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting.

The persons named as proxyholders (the "Designated Persons") in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by the Company's registrar and transfer agent, Computershare Investor Services Inc. (the "**Transfer Agent**") at their offices located at 8th floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Attention: Proxy Department) by mail or fax, at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of Manitoba) prior to the scheduled time of the Meeting, or any adjournment or postponement thereof. Alternatively, the completed form of proxy may be delivered to the chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Revocation of Proxies

A shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing:

- (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and
- (b) delivered either:
 - (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or
 - (ii) to the chairman of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or

(iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either:

- (a) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or
- (b) submission of a subsequent proxy in accordance with the foregoing procedures.

A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Voting of Proxies and Exercise of Discretion

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. The Common Shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly.

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the Common Shares on any matter, the Common Shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc., 8th floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 (Attention: Proxy Department) by delivery, by phone at 1-866-734-8683 (toll free) or online at www.investorvote.com.

In all cases ensuring that the proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

Beneficial Shareholders

The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as “Beneficial Shareholders”) should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the names of the shareholder’s broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person well in advance of the Meeting.

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of Common Shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge’s dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the Common Shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote Common Shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its Common Shares voted at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish

to attend at the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote his or her Common Shares.

Beneficial Shareholders consist of non-objecting beneficial owners and objecting beneficial owners. A non-objecting beneficial owner is a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner does not object, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators. An objecting beneficial owner means a beneficial owner of securities that has provided instructions to an intermediary holding the securities in an account on behalf of the beneficial owner that the beneficial owner objects, for that account, to the intermediary disclosing ownership information about the beneficial owner under National Instrument 54-101.

The Company is sending proxy-related materials directly to non-objecting beneficial owners of the Shares. The Company will not pay for the delivery of proxy-related materials to objecting beneficial owners of the Shares. The objecting beneficial owners of the Shares will not receive the materials unless their intermediary assumes the costs of delivery.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

Notice to Shareholders in the United States

The solicitation of proxies involve securities of an issuer located in Canada and is being effected in accordance with the corporate laws of the Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act of 1934, as amended*, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by Shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the Canada *Business Corporations Act*, as amended, certain of its directors and its executive officers are residents of Canada and a substantial portion of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, executive officers or nominees, 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 the election of directors, the appointment of auditors or the approval of the Company's stock option plan (the "**Stock Option Plan**"), as such persons are eligible to participate in the Stock Option Plan.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue unlimited Common Shares without par value. As at **September 10, 2018**, the Company has **62,810,214** issued and outstanding fully paid and non-assessable Common Shares without par value, each share carrying the right to one vote. The Company has no other classes of voting securities.

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.

To the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, securities carrying more than 10% of the voting rights attached to any class of voting securities of the Company., other than as set forth below:

Name of Shareholder	No. of Shares Held	Percentage of Shareholdings⁽¹⁾
Zimtu Capital Corp.	11,026,135	17.55%

⁽¹⁾ Based on 62,810,214 Shares issued and outstanding as of the Record Date.

RECEIPT OF FINANCIAL STATEMENTS

The directors will place before the Meeting the financial statements for the year ended December 31, 2017 together with the auditors' report thereon.

ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are elected or appointed, unless his office is earlier vacated in accordance with the articles of the Company (the "**Articles**") or with the provisions of applicable corporate legislation. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the board of directors (the "**Board**").

Number of Directors

At the Meeting, shareholders will be asked to pass an ordinary resolution to set the number of directors of the Company for the ensuing year at four. The number of directors will be approved if the affirmative vote of the holders of at least a majority of common shares present or

represented by proxy at the Meeting and entitled to vote are voted in favour to set the number of directors at four.

Election of Directors

Management of the Company proposes to nominate each of the following persons for election as a director of the Company to hold office until the next annual general meeting of the shareholders or until their successors are elected or appointed. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province and Country of Residence and Position Held with the Company ⁽¹⁾	Period during which the Nominee has served as a Director	Principal Occupation during the past five years	Number of Common Shares held ⁽¹⁾
Dusan Berka ⁽²⁾ <i>British Columbia, Canada</i> <i>Director</i>	Since January 5, 2016	Professional Engineer; President and CEO of Megastar Development Corp.; Aquila American Gold Ltd.; Eloro Resources Ltd.; 92 Resources Corp.; Pivit Exploration Inc. and Spey Resources Corp.	650,000 ⁽³⁾
Jody Bellefleur ⁽²⁾ <i>British Columbia, Canada</i> <i>CFO and Director</i>	Since August 21, 2017	CPA, CGA with over 25 years of experience as a corporate accountant, focusing exclusively on public companies for the last 10 years.	500,000
Kevin Bottomley ⁽²⁾ <i>British Columbia, Canada</i> <i>President, CEO and Director</i>	Since February 10, 2016	Director of True Leaf Medicine Corp. and Zimtu Capital Corp. Kevin has successfully raised over 75 million for public companies from his networks in North America, Europe and Asia.	1,507,833
Nicholas Rodway <i>British Columbia, Canada</i> <i>Director</i>	Since January 5, 2016	Nick completed a B.Sc in geology/Earth Sciences at Memorial University of Newfoundland. He is a registered geoscientist with the Association of engineers and geologists of BC as a Geologist in training. Nick has worked as an exploration geologist in Canada's high north, exploring for iron ore, gold, silver and base metals. Currently he works as a geologic advisor/corporate development doing early stage project evaluations including acquiring properties and due diligence on junior mining companies. Nick is also a Director of Saville Resources Inc.	400,200

1. The information as to country of residence and principal occupation, and common shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective nominees as at the date of this Information Circular.
2. Member of the Audit Committee.

3. Mr. Berka holds 650,000 common shares in the name of Duster Capital Corp., a company wholly owned by Dusan Berka.

The term of office of those nominees set out above, who are presently directors, will expire as of the date of the Meeting. All of the directors who are elected at the Meeting will have their term of office expire at the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Articles, or with the provisions of applicable corporate legislation or until such director's earlier death, resignation or removal.

Management recommends the approval of each of the nominees listed above for election as directors of the Company for the ensuing year.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

Orders

No proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity of 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 of director, chief executive officer or chief financial officer.

For the purposes of the above, "order" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption and securities legislation, that was in effect for a period of more than 30 consecutive days.

Bankruptcies

No proposed director of the Company is, or was, within the 10 years before the date of this Information Circular, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Company has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties or Sanctions

No proposed director has been subject to:

- (a) 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 respect to same;

or

- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to reasonable shareholders in deciding whether to vote for a proposed director.

The above information was provided by each director or officer of the Company

EXECUTIVE COMPENSATION

General

For the purpose of this Statement of Executive Compensation:

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

“NEO” or **“named executive officer”** means:

- (a) each individual who served as chief executive officer (“CEO”) of the Company, or who performed functions similar to a CEO, during any part of the most recently completed financial year,
- (b) each individual who served as chief financial officer (“CFO”) of the Company, or who performed functions similar to a CFO, during any part of the most recently completed financial year,
- (c) the most highly compensated executive officer of the Company or any of its subsidiaries (if any) other than individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year, and

- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or its subsidiaries, nor acting in a similar capacity, at the end of that financial year;

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

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

Director and Named Executive Officer Compensation, excluding Compensation Securities

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

Name and Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of all other Compensation (\$)	Total Compensation (\$)
Kevin Bottomley ⁽¹⁾ President, CEO and Director	2017	\$70,000	Nil	Nil	Nil	Nil	\$70,000
	2016	\$8,500	Nil	Nil	Nil	Nil	\$8,500
Jody Bellefleur ⁽²⁾ CFO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	\$2,000 ⁽¹¹⁾	Nil	Nil	Nil	\$2,000
Bradley Hoepfner ⁽³⁾ Former Director	2017	\$42,500	Nil	Nil	Nil	Nil	\$42,500
	2016	\$27,500 ⁽¹⁰⁾	Nil	Nil	Nil	Nil	\$27,500
Nicholas Rodway ⁽⁴⁾ Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	\$2,000 ⁽¹¹⁾	Nil	Nil	Nil	\$2,000
Dusan Berka ⁽⁵⁾ Former President, CEO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	\$2,000 ⁽¹¹⁾	Nil	Nil	Nil	\$2,000
Peter Brooks ⁽⁶⁾ Former President, CEO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	\$85,260 ⁽¹²⁾	Nil	Nil	Nil	Nil	\$85,260 ⁽¹²⁾
Douglas Bundy ⁽⁷⁾ Former Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
David Gural ⁽⁸⁾ Former Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Art Stacey ⁽⁹⁾ Former CFO and Director	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Kevin Bottomley was appointed a director on February 10, 2016. Mr. Bottomley was appointed as President & CEO on September 23, 2016.
- (2) Jody Bellefleur was appointed as CFO on February 10, 2016. Ms. Bellefleur was appointed as a director on August 21, 2017.
- (3) Bradley Hoepfner was appointed a director on February 10, 2016. Mr. Hoepfner resigned as a director on August 21, 2017.
- (4) Nicholas Rodway was appointed as a director on January 5, 2016.
- (5) Dusan Berka was appointed as CEO on February 10, 2016. Mr. Berka was appointed as a director on January 5, 2016. Mr. Berka resigned as President and CEO on September 23, 2016.
- (6) Peter Brooks resigned as CEO, President a director on February 10, 2016.
- (7) Douglas Bundy resigned as a director on February 10, 2016
- (8) David Gural resigned as a director on January 5, 2016.
- (9) Art Stacey resigned as CFO and a director on February 10, 2016.
- (10) Management Fees paid by the Company.
- (11) Christmas bonus paid by the Company.
- (12) The Company paid 7851235 Canada Ltd., a business controlled by Peter Brooks for consulting services relating to marketing and administrative services.

Stock Options and Other Compensation Securities

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

Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities and Percentage of Class	Date of Issue or Grant	Issue, Conversion or Exercise Price	Closing Price of Security or Underlying Security on Date of Grant	Closing Price of Security or Underlying Security at Year End	Expiry Date
Kevin Bottomley President, CEO and Director	Stock Options	100,000 ⁽¹⁾	September 27, 2017	\$0.10	\$0.10	\$0.09	September 27, 2022
Jody Bellefleur CFO and Director	Stock Options	325,000 ⁽²⁾	September 27, 2017	\$0.10	\$0.10	\$0.09	September 27, 2022
Bradley Hoepfner Former Director ⁽³⁾	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Nicholas Rodway Director	Stock Options	250,000 ⁽⁴⁾	September 27, 2017	\$0.10	\$0.10	\$0.09	September 27, 2022
Dusan Berka Director	Stock Options	150,000 ⁽⁵⁾	September 27, 2017	\$0.075	\$0.10	\$0.09	September 27, 2022
Peter Brooks Former President, CEO and Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Douglas Bundy Former Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
David Gural Former Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil
Art Stacey Former CFO and Director	Stock Options	Nil	Nil	Nil	Nil	Nil	Nil

- (1) As at December 31, 2017, Mr. Bottomley held 400,000 stock options which stock options are exercisable at \$0.075 per share until expiry on October 27, 2018; Mr. Bottomley held 100,000 stock options which stock options are exercisable at \$0.10 per share until expiry on September 27, 2022;
- (2) As at December 31, 2017, Ms. Bellefleur held 325,000 stock options which stock options are exercisable at \$0.10 per share until expiry on September 27, 2022;
- (3) As at December 31, 2017, Mr. Hoepfner held 400,000 stock options which stock options are exercisable at \$0.075 per share until expiry on October 27, 2018. Subsequent to Mr. Hoepfner's resignation on August 21, 2017, Mr. Hoepfner's 400,000 options terminated on November 21, 2017.
- (4) As at December 31, 2017, Mr. Rodway held 400,000 stock options which stock options are exercisable at \$0.075 per share until expiry on October 27, 2018; Mr. Rodway held 250,000 stock options which stock options are exercisable at \$0.10 per share until expiry on September 27, 2022; and
- (5) As at December 31, 2017, Mr. Berka held 150,000 stock options indirectly through Duster Capital Corp., a company wholly owned and controlled by Mr. Berka, which stock options are exercisable at \$0.10 per share until expiry on September 27, 2022.

Exercise of Compensation Securities by Directors and NEOs

Other than as set out below, no director or NEO exercised any compensation securities, being solely comprised of stock options, during the year ended December 31, 2017.

On November 29, 2017, Jody Bellefleur, the CFO and a director of the Company, exercised 200,000 stock options of the Company at an exercise price of \$0.075.

On November 29, 2017, Dusan Berka, a director of the Company, exercised 300,000 stock options of the Company at an exercise price of \$0.075.

Stock Option Plans and Other Incentive Plans

The Company's current stock option plan (the "Plan") is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted. The Plan provides that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase shares of the Company. As at the date hereof, there are 2,589,893 options outstanding under the Plan. The Plan was last approved by the shareholders of the Company on July 19, 2017.

A copy of the Plan is available for review on the Company's profile at www.sedar.com and at the office of the Company at Suite 1450 – 789 West Pender Street, Vancouver, British Columbia V6C 1H2 during normal business hours up to and including the date of the Meeting. See "Particulars of Matters To Be Acted Upon – *Re-Approval of Stock Option Plan*".

Employment, Consulting and Management Agreements

The Company or any subsidiary thereof has not entered into any agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were (a) performed by a director or NEO, or (b) performed by any other party but are services typically provided by a director or a NEO.

Oversight and Description of Director and NEO Compensation

The Company's compensation program is intended to attract, motivate, reward and retain the management talent needed to achieve the Company's business objectives of improving overall corporate performance and creating long-term value for the Company's shareholders. The compensation program

is intended to reward executive officers on the basis of individual performance and achievement of corporate objectives, including the advancement of the exploration and development goals of the Company. The Company's current compensation program is comprised of base salary or fees, short term incentives such as discretionary bonuses and long term incentives such as stock options.

The Board has not created or appointed a compensation committee given the Company's current size and stage of development. All tasks related to developing and monitoring the Company's approach to the compensation of the Company's NEOs and directors are performed by the members of the Board. The compensation of the NEOs, directors and the Company's employees or consultants, if any, is reviewed, recommended and approved by the Board without reference to any specific formula or criteria. NEOs that are also directors of the Company are involved in discussion relating to compensation, and disclose their interest in and abstain from voting on compensation decisions relating to them, as applicable, in accordance with the applicable corporate legislation.

Pension Plan Benefits

The Company has no pension, defined benefit or defined contribution plans in place.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of all the Company's equity compensation plans as of December 31, 2017. The Company's equity compensation plan consists of the Plan:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights ⁽¹⁾	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	3,541,128	\$0.09	1,296,514 ⁽²⁾
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	3,541,128	\$0.09	1,296,514⁽²⁾

⁽¹⁾ The Company does not have any warrants or rights outstanding under any equity compensation plans.

⁽²⁾ Based on the Company's issued and outstanding common shares of 48,376,423 as at December 31, 2017.

The Plan provides for the issuance of stock options to acquire up to 10% of the issued and outstanding common shares as of the date of granting of the options. Pursuant to the policies of the TSX Venture Exchange (the "Exchange"), a rolling stock option plan needs to be re-approved by the shareholders of the Company annually. A copy of the Plan is available for review on the Company's profile at www.sedar.com and at the office of the Company at Suite 1450 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 during normal business hours up to and including the date of the Meeting. See "Particulars of Matters To Be Acted Upon – Re-Approval of Stock Option Plan".

APPOINTMENT OF AUDITOR

At the Meeting, shareholders will be asked to pass an ordinary resolution to appoint MNP LLP, Chartered Professional Accountants as auditors of the Company for the fiscal year ending December 31, 2018, and to authorize the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2018. An ordinary resolution needs to be passed by a simple majority of the votes cast by the shareholders present in person or represented by proxy and entitled to vote at the Meeting. MNP LLP, Chartered Professional Accountants, were appointed as the auditors of the Company in 2016.

Management recommends that shareholders vote for the appointment of MNP LLP, Chartered Professional Accountants as the Company's auditors for the Company's fiscal year ending December 31, 2018 and the authorization of the directors of the Company to fix the remuneration to be paid to the auditors for the fiscal year ending December 31, 2018.

PARTICULARS OF MATTERS TO BE ACTED UPON

Re-Approval of Stock Option Plan

Shareholder approval for the Company's current stock option plan (the "**Stock Option Plan**") was last obtained at the annual general and special meeting of the shareholders held on July 19, 2017. The policies of the TSX Venture Exchange (the "**TSXV**") state that rolling plans, such as the Stock Option Plan, must receive shareholder approval yearly, at the Company's annual general meeting.

The Stock Option Plan will reserve 10% of the issued and outstanding Common Shares of the Company for incentive stock option grants under the plan to qualifying persons. In addition, the Stock Option Plan will limit the number of stock options which may be granted to any one individual to not more than 5% of the total issued shares of the Company in any 12 month period. The number of options granted to any one consultant, or a person employed to provide investor relations activities, in any 12 month period must not exceed 2% of the total issued shares of the Company. All existing stock options previously granted will be deemed to be incorporated into the Stock Option Plan. Any new stock options granted under the plan may be subject to such vesting provisions as determined by the Board. Shareholders are referred to the Stock Option Plan, a copy of which is available by contacting the Company.

The Stock Option Plan must be approved by a majority of the shareholders entitled to vote present in person or by proxy at the Meeting, and be accepted for filing by the TSXV. In the event such shareholder approval is not obtained, the Company will not proceed with the Stock Option Plan.

Shareholder Approval

In order to exercise stock options granted under the Stock Option Plan, the Stock Option Plan must first be accepted by the Exchange. In order to obtain Exchange acceptance, the Exchange requires that "rolling" stock option plans receive shareholder approval at a company's annual general meeting. For these reasons and also to ensure that the Stock Option Plan is acceptable to the Company's shareholders, the directors of the Company will ask the

shareholders to approve the Stock Option Plan at the Meeting. Accordingly, the shareholders will be asked to consider and, if thought fit, pass the following resolution:

“RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. The Company’s Stock Option Plan (the “**Plan**”), as described in the information circular dated September 17, 2018 be and is hereby ratified, confirmed and approved, including the reserving for issuance under the Plan at any time of a maximum of 10% of the issued and outstanding common shares of the Company, subject to any amendments that may be required by the TSX Venture Exchange (“**TSXV**”);
2. The Company be authorized to abandon or terminate all or any part of the Plan if the directors of the Company deems it appropriate and in the best interests of the Company to do so;
3. The Company be and is hereby authorized to grant options pursuant and subject to the terms and conditions of the Plan;
4. The Company be and is hereby, at the discretion of the board of directors (the “**Board**”), to amend the exercise price of previously granted option agreements, without further approval by the shareholders, all in accordance with the policies of the TSXV; and
5. Any one or more of the directors and officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commissions forms, as may be required to give effect to the true intent of this resolution.”

It is the intention of the persons named in the enclosed instrument of proxy, if not expressly directed otherwise in such instrument of proxy, to vote such proxies FOR the ordinary resolution to re-approve the Stock Option Plan. An ordinary resolution is a resolution passed by the disinterested shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

Management of the Company recommends that shareholders vote in favour of the above resolution.

CORPORATE GOVERNANCE

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices (NI 58-101)*, the Company is required to disclose its corporate governance practices with respect to the corporate governance guidelines adopted in NI 58-101. These Guidelines are not prescriptive, but have been used by the Company in adopting its corporate governance practices. The Company’s approach to corporate governance is set out in this Information Circular attached as Schedule “A”.

AUDIT COMMITTEE

Under National Instrument 52-110 *Audit Committees* (“**NI 52-110**”), venture issuers are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee’s charter, the composition of the audit committee and the fees paid to the external auditor. This information with respect to the Company is provided in Schedule “B”.

MANAGEMENT CONTRACTS

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

ADDITIONAL INFORMATION

Financial information is provided in the Company’s comparative financial statements for the years ended December 31, 2017 and 2016 and the Management Discussion & Analysis for the year ended December 31, 2017 which are available, along with additional information relating to the Company, on SEDAR at www.sedar.com or on the Company’s website at www.kingsbayres.com.

To request copies of the Company’s financial statements and management discussion and analysis, shareholders can contact the Company at (604) 681-1568 or by email at info@kingsbayres.com.

APPROVAL OF THE BOARD OF DIRECTORS

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

DATED at Vancouver, British Columbia this 17th day of September, 2018.

By Order of the Board of Directors of

KING'S BAY RESOURCES CORP.

"Kevin Bottomley"

Kevin Bottomley

President, Chief Executive Officer and Director

SCHEDULE “A” CORPORATE GOVERNANCE DISCLOSURE

Corporate Governance is the process and structure used to direct and manage the business and affairs of an issuer with the objective of enhancing value for its owners. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) of the Canadian Securities Administrators requires the Company to disclose in this Information Circular a summary of the corporate governance policies that the Company has in place.

Board of Directors

The Board facilitates its exercise of independent supervision over the Company’s management through frequent meetings of the Board.

Dusan Berka and Nicholas Rodway are “independent” in that each are independent and free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with the best interests of the Company, other than the interests and relationships arising from being shareholders of the Company. Kevin Bottomley is the President and CEO of the Company and Jody Bellefleur is the CFO of the Company.

Directorships

<u><i>Name of Director</i></u>	<u><i>Names of other Reporting Issuers</i></u>
Dusan Berka	Megastar Development Corp. (TSX-V) Aquila American Gold Ltd. (TSX-V) Eloro Resources Ltd. (TSX-V) 92 Resources Corp. (TSX-V) Pivit Exploration Inc. (CSE) Spey Resources Corp. (CSE)
Kevin Bottomley	True Leaf Medicine International Ltd. (CSE)
Nicholas Rodway	Saville Resources Inc. (TSX-V)
Jody Bellefleur	N/A

Orientation and Continuing Education

While the Company does not have formal orientation or training programs for new board members, new board members are provided with full access to the Company’s records, including all publicly filed documents of the Company, technical reports, internal financial information, management & technical experts and consultants and a summary of significant securities disclosure obligations. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation with management’s assistance and to attend related industry seminars.

Ethical Business Conduct

Corporate governance is the structure and process used to direct and manage the business and affairs of a corporation with the objective of enhancing shareholder value. The Board believes

that the Company has in place corporate governance practices that are both effective and appropriate to the Company's size and its business operations.

Nomination of Directors

The Board has the responsibility for identifying potential Board candidates. The Board assesses potential candidates to fill perceived needs on the Board for required skill, expertise, independence and other factors.

Compensation

Compensation is determined by the Board and is based on the compensation paid for directors and senior officers of companies of a similar size and stage of development. The appropriate compensation reflects the need to provide incentive and compensation for the time and effort expended by the directors and its management while taking into account the financial and other resources of the Company.

Other Board Committees

The Board has no other committees other than the Audit Committee.

Assessments

The Board conducts informal annual assessments of the Board's effectiveness, its individual directors and its committees.

SCHEDULE "B"

AUDIT COMMITTEE INFORMATION

Pursuant to NI 52-110, the Company is required to include the following summary of the audit committee responsibilities, composition and authority. The Company's Audit Committee is governed by an audit committee charter, the text of which follows:

Mandate: The primary function of the audit committee (the "**Committee**") is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements, review and appraise the performance of the Company's external auditor; and provide an open avenue of communication among the Company's auditor, financial and senior management and the Board.

Composition: The Committee shall be comprised of a minimum three directors as determined by the Board. If the Company ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" then all members of the Committee shall also have accounting or related financial management expertise. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings: The Committee shall meet at least once annually, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor.

Responsibilities and Duties: To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review: review and update the Audit Committee Charter annually and review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor.

2. External Auditor:

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of external auditor setting forth all relationships between the external auditor and the Company and review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
- (d) take, or recommend that the Board take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval and to recommend to the Board the compensation to be paid to the external auditor;
- (g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (i) review with management and the external auditor the audit plan for the year-end financial statements and review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services, and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes:
- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
 - (b) consider the external auditor' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
 - (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
 - (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
 - (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
 - (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
 - (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
 - (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
 - (i) review certification process;
 - (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
4. Other - review any related-party transactions, engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay compensation for any independent counsel and other advisors employed by the Committee.

Composition of the Audit Committee

The Company's Audit Committee is comprised of three directors consisting of Kevin Bottomley, Dusan Berka and Jody Bellefleur. As defined in NI 52-110, Mr. Bottomley is not independent as he is the President and CEO of the Company and Ms. Bellefleur is not independent as she is the CFO of the Company. Mr. Dusan is independent as defined in NI 52-110. All of the Audit

Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right, at all times, to inspect all the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

Relevant Education and Experience

The following sets out the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member and that provides each member with: (i) an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, (iii) 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 Company’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and (iv) an understanding of internal controls and procedures for financial reporting:

Mr. Dusan Berka is a Professional Engineer; President and CEO of Megastar Development Corp.; Director of Voltaic Minerals Corp.; Aquila American Gold Ltd.; Eloro Resources Ltd.; 92 Resources Corp. and Belmont Resources Inc. Mr. Berka is financially literate and is able to evaluate and understand the Company’s financial statements at the current level of complexity.

Mr. Kevin Bottomley is a Director of True Leaf Medicine Corp. and Zimtu Capital Corp., Mr. Bottomley is financially literate and is able to evaluate and understand the Company’s financial statements at the current level of complexity.

Ms. Jody Bellefleur is a CPA, CGA with over 25 years of experience as a corporate accountant, focusing exclusively on public companies for the last 10 years. Ms. Bellefleur is responsible for all aspects of regulatory financial reporting including the preparation of quarterly financial statements, management discussion and analysis reports, the coordination of annual audits, and government tax and regulatory reporting. Ms. Bellefleur is financially literate and is able to evaluate and understand the Company’s financial statements at the current level of complexity.

Audit Committee oversight: At no time since the commencement of the Company’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Company’s Board of Directors.

Reliance on Certain Exemptions: At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110, or an exemption from NI 52-110 (*De Minimis Non-audit Services*), in whole or in part, granted under Part 8 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 to the extent set forth in the Company's Audit Committee Charter (see under the heading "External Auditor").

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

The fees paid by the Company to its auditor in the last two fiscal years, by category, are as follows:

Financial Year Ended December 31	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2017	\$14,000	\$0	\$1,500	\$0
2016	\$15,700	\$0	\$1,000	\$0

Exemption: The Company is a venture issuer and as such, is relying on section 6.1 of NI 52-110 which provides that a venture issuer is not required to comply with Part 3 *Composition of the Audit Committee* and Part 5 *Reporting Obligations* of NI 52-110.