

CAIRO RESOURCES INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual and special meeting (the “Meeting”) of the shareholders of **CAIRO RESOURCES INC.** (the “Company”) will be held in the Boardroom of Owen Bird Law Corporation, 29th Floor, 595 Burrard Street, Vancouver, B.C., at 10:00 a.m. (Pacific time) on Tuesday, February 28, 2017, for the following purposes:

1. To receive the audited financial statements of the Company for the fiscal year ending February 29, 2016, together with the auditor’s report thereon.
2. To appoint the auditor for the Company and to authorize the directors to fix the remuneration to be paid to the auditor.
3. To elect directors for the ensuing year.
4. To ratify and renew the Company’s existing stock option plan.
5. To approve the Company’s potential continuance from British Columbia to Alberta.
6. To transact such other business as may be brought before the Meeting.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, sign and mail the enclosed form of Proxy in accordance with the instructions set out in the Proxy and in the Information Circular accompanying this Notice.

DATED at Vancouver, British Columbia, the 20th day of January, 2017.

BY ORDER OF THE BOARD

“Darryl S. Cardey”

CEO, CFO, President and Secretary

These shareholder materials are being sent to both registered and non-registered shareholders. If you are a non-registered shareholder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of shares, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Company (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the Request for Voting Instructions.

CAIRO RESOURCES INC.

INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON FEBRUARY 28, 2017

This information is given as of January 20, 2017 unless otherwise noted.

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the solicitation of proxies by the management of **CAIRO RESOURCES INC.** (the “Company”) for use at the Annual and Special Meeting (the “Meeting”) of the shareholders of the Company, to be held on Tuesday, February 28, 2017 at the time and location and for the purposes set forth in the accompanying Notice of Meeting and at any adjournment thereof.

All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.

PERSONS OR COMPANIES MAKING THE SOLICITATION

The enclosed form of Proxy is solicited by Management. Solicitations will be made by mail and possibly supplemented by telephone or other personal contact to be made without special compensation by regular officers and employees of the Company. The Company may reimburse shareholders’ nominees or agents (including brokers holding shares on behalf of clients) for the cost incurred in obtaining authorization from their principals to execute the Proxy. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company. None of the directors of the Company have advised that they intend to oppose any action intended- to be taken by Management as set forth in this Information Circular.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the accompanying form of Proxy are directors or officers of the Company. **A shareholder has the right to appoint a person to attend and act for him on his behalf at the Meeting other than the persons named in the enclosed form of Proxy. To exercise this right, a shareholder shall strike out the names of the persons named in the Proxy and insert the name of his nominee in the blank space provided, or complete another Proxy. The completed Proxy should be deposited with the Company’s Registrar and Transfer Agent, Computershare Trust Company of Canada, 9th Floor, North Tower, 100 University Avenue, Toronto, Alberta M5J 2Y1 at least 48 hours before the time of the Meeting or any adjournment thereof, excluding Saturdays and holidays.**

The Proxy must be dated and be signed by the shareholder or by his attorney in writing, or if the shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

In addition to revocation in any other manner permitted by law, a shareholder may revoke a Proxy either by (a) signing a Proxy bearing a later date and depositing it at the place and within the time aforesaid, or (b) signing and dating a written notice of revocation (in the same manner as the Proxy is required to be executed as set out in the notes to the Proxy) and either depositing it at the place and within the time aforesaid or with the Chairman of the Meeting on the day of the Meeting or on the day of any adjournment thereof, or (c) registering with the scrutineer at the Meeting as a shareholder present in person, whereupon such Proxy shall be deemed to have been revoked.

NON-REGISTERED HOLDERS OF COMPANY'S SHARES

Only Registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the common shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the common shares. More particularly, a person is not a Registered Shareholder in respect of common shares which are held on behalf of that person (the “Non-Registered Holder”) but which are registered either: (a) in the name of an intermediary (an “Intermediary”) that the Non-Registered Holder deals with 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 (b) in the name of a clearing agency of which the Intermediary is a participant. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration for the Canadian Depository for Securities, which company acts as nominee for many Canadian brokerage firms).

Non-Registered Holders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBO’s”. Those Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Company are referred to as “OBO’s”.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Company has elected to send the Notice of Meeting, this Information Circular and the Proxy (collectively, the “Meeting Materials”) directly to the NOBO’s, and indirectly through Intermediaries to the OBO’s. The Intermediaries (or their service companies) are responsible for forwarding the Meeting Materials to each OBO, unless the OBO has waived the right to receive them.

Meeting Materials sent to Non-Registered Holders who have not waived the right to receive Meeting Materials are accompanied by a request for voting instructions (a “VIF”). This form is instead of a proxy. By returning the VIF in accordance with the instructions noted on it a Non-Registered Holder is able to instruct the Registered Shareholder how to vote on behalf of the Non-Registered Shareholder. VIF’s, whether provided by the Company or by an Intermediary, should be completed and returned in accordance with the specific instructions noted on the VIF.

In either case, the purpose of this procedure is to permit Non-Registered Holders to direct the voting of the common shares which they beneficially own. Should a Non-Registered Holder who receives a VIF wish to attend the Meeting or have someone else attend on his/her behalf, the Non-Registered Holder may request a legal proxy as set forth in the VIF, which will grant the Non-Registered Holder or his/her nominee the right to attend and vote at the Meeting. **Non-Registered Holders should carefully follow the instructions set out in the VIF including those regarding when and where the VIF is to be delivered.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

VOTING OF SHARES AND EXERCISE OF DISCRETION OF PROXIES

On any poll, the persons named in the enclosed form of Proxy will vote the shares in respect of which they are appointed and, where directions are given by the shareholder in respect of voting for or against any resolution will do so in accordance with such direction.

In the absence of any direction in the Proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Information Circular. The form of Proxy enclosed, when properly signed, confers discretionary authority with respect to amendments or variations to any matters, which may properly be brought before the Meeting. At the time of printing of this Information Circular, Management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters, which

are not now known to the Management, should properly come before the Meeting, the Proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the nominee.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed elsewhere in this Information Circular, none of the directors or senior officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or senior officers of the Company since the commencement of the Company's last completed financial year and no associate or affiliate of any of the foregoing persons 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, save and except for those matters pertaining to incentive stock options.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value. On January 20, 2017, the record date of the Meeting, 1,581,473 common shares were issued and outstanding, each share carrying the right to one vote. At a general meeting of the Company, on a show of hands, every shareholder present in person shall have one vote and, on a poll, every shareholder shall have one vote for each share of which he is the holder.

Only shareholders of record on the close of business on the record date, who either personally attend the Meeting or who complete and deliver a Proxy in the manner and subject to the provisions set out under the heading "Appointment and Revocation of Proxies" will be entitled to have his or her shares voted at the Meeting or any adjournment thereof.

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, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company, except for Cardey Management Corp., a private company owned by Darryl S. Cardey (a director and officer of the Company), which owns 193,333 common shares or 12.22% of the Company's issued and outstanding common shares.

The above information was provided by management of the Company and the Company's registrar and transfer agent as of the record date.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

In this section "Named Executive Officers" (or "NEO's") mean (a) the Chief Executive Officer ("CEO") (or an individual who acted in a similar capacity), (b) the Chief Financial Officer ("CFO") (or an individual who acted in a similar capacity), (c) the Company's other most highly compensated executive officer whose total salary and bonus exceeded \$150,000, and (d) each individual who would be a Named Executive Officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of the financial year. During the fiscal year ended February 29, 2016, the Company had one Named Executive Officer – Darryl S. Cardey, as Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO").

Compensation Discussion and Analysis

As a Capital Pool Company, the Company is precluded from paying any compensation to its directors or officers. The Company does not have any management or employment agreements in place with its NEOs. The Company does not presently have a long-term incentive plan for its NEOs, other than its stock option plan. No options were granted, vested or earned during the fiscal year ended February 29, 2016.

Summary of Compensation

The following table sets forth all annual and long-term compensation for services paid to or earned by the former NEOs and current NEO for the two years ended February 29, 2016 and February 28, 2015:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer, commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Darryl S. Cardey ¹ <i>CEO, CFO, Secretary and Director</i>	2016	nil	nil	nil	nil	3,584 ²	3,584 ²
	2015	nil	nil	nil	nil	1,250 ²	1,250 ²
Michael Sadhra <i>Director</i>	2016	nil	nil	nil	nil	nil	nil
	2015	nil	nil	nil	nil	nil	nil
Darren P. Devine <i>Director</i>	2016	nil	nil	nil	nil	3,584 ²	3,584 ²
	2015	nil	nil	nil	nil	1,250 ²	1,250 ²
Paul S. Reynolds <i>Director</i>	2016	nil	nil	nil	nil	nil	nil
	2015	nil	nil	nil	nil	nil	nil

1. Appointed as CEO, CFO, President and Secretary on August 6, 2014.
2. During the year ended February 29, 2016, the Company paid \$9,000 (2015 - \$3,750) and owed \$1,753 (2015 – nil) for rent to CDM Capital Partners Inc. CDM Capital Partners Inc. is owned as to one-third by Darryl S. Cardey and one-third by Darren Devine.

The following table discloses all compensation securities granted or issued to each NEO and director by the Company in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Company:

Compensation Securities							
Name and position	Type of compensation security ⁴	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
Darryl S. Cardey ¹ <i>CEO, CFO, Secretary and Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Michael Sadhra <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Darren P. Devine <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Paul S. Reynolds <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

1. Appointed on August 6, 2014.
2. The Company has no other securities based compensation structure other than its incentive stock option plan.

The following table discloses each exercise by a director or NEO of compensation securities during the most recently completed financial year:

Exercise of Compensation Securities by Directors and NEOs							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date ⁴ (\$)
Darryl S. Cardey <i>CEO, CFO, Secretary, Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Michael Sadhra <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Darren P. Devine <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Paul S. Reynolds <i>Director</i>	N/A	Nil	N/A	N/A	N/A	N/A	N/A

^{1.} Total value on exercise date is calculated by multiplying the number in the column entitled “Number of underlying securities exercised” by the number in the column entitled “Difference between exercise price and closing price on date of exercise”.

Stock Option Plans and Other Incentive Plans

The only stock option plan or other incentive plan the Company currently has in place is a 10% “rolling” stock option plan (the “Plan”). The underlying purpose of the Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Plan.

The material terms of the Plan are as follows:

1. The aggregate maximum number of options which may be granted under the Plan at any one time is 10% of the number of common shares the Company has outstanding at the time of grant.
2. The term of any options granted under the Plan will be fixed by the board of directors at the time such options are granted, provided that options will not be permitted to exceed a term of ten years.
3. The exercise price of any options granted under the Plan will be determined by the board of directors, in its sole discretion, but shall not be less than the closing price of the Company’s common shares on the day preceding the day on which the directors grant such options, less any discount permitted by the TSXV to a minimum of \$0.05 per common share.
4. No vesting requirements will apply to options granted thereunder, save for options granted to an employee performing investor relations activities for the Company.
5. All options will be non-assignable and non-transferable.
6. No more than (i) 5% of the issued common shares may be granted to any one individual in any 12 month period; and (ii) no more that 2% of the issued common shares may be granted to a consultant, or an employee performing investor relations activities, in any 12 month period.

7. If the option holder ceases to be a director of the Company (other than by reason of death), then the option granted shall expire on no later than the 90th day following the date that the option holder ceases to be a director of the Company, subject to the terms and conditions set out in the Plan. If the option holder is engaged in investor relations activities or ceases to be an employee, consultant or management company employee of the Company (other than by reason of death), then the option granted shall expire on no later than the 30th day following the date that the option holder ceases to be employed or contracted by the Company, subject to the terms and conditions set out in the Plan.
8. Disinterested shareholder approval must be obtained for (i) any reduction in the exercise price of an outstanding option, if the option holder is an insider; (ii) any grant of options to insiders, within a 12 month period, exceeding 10% of the Company's issued common shares; and (iii) any grant of options to any one individual, within a 12 month period, exceeding 5% of the Company's issued common shares.
9. Options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's common shares.

TSXV policies require an incentive stock option plan to be approved annually at its general shareholders' meeting. The Plan was last approved by shareholders at the Company's annual general meeting held October 21, 2015.

As of the end of the most recently completed fiscal year on February 29, 2016 there were 20,000 options outstanding, exercisable at \$0.65 per common share until September 20, 2016. All of those options subsequently expired, unexercised. Based on the Company having 1,581,473 common shares outstanding as of the Record Date, up to 158,147 options could now be granted under the Plan.

The Company has no other plan providing for the grant of stock appreciation rights, deferred share units or restricted stock units or any other incentive plan or portion of a plan under which awards are granted.

Employment, Consulting and Management Agreements

As a Capital Pool Company, the Company is precluded by TSXV policies from paying any compensation to its officers or directors. There were no agreements or arrangements in place under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the company that were:

- (a) performed by a director or named executive officer, or
- (b) performed by any other party but are services typically provided by a director or a named executive officer,

other than the grant of options under the Plan, and the reimbursement of expenses any director or NEO may have incurred on behalf of the Company.

In particular, there were no agreements or arrangement containing provisions with respect to change of control, severance, termination or constructive dismissal.

Oversight and Description of Director and Named Executive Officer Compensation

As the Company is precluded by TSXV policies from paying any compensation to its officers or directors, there is no determination or timing of determination of NEO and director salary or compensation. The only compensatory element that the board of directors determines is the grant of incentive stock options under the Plan.

Pension disclosure

The Company does not provide any form of pension to any of its directors or Named Executive Officers.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

None of the directors or senior officers of the Company or any associates or affiliates of the Company are or have been indebted to the Company at any time since the beginning of the last completed financial year of the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company other than as set out herein. The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

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 with whom the Company has contracted.

AUDIT COMMITTEE

Pursuant to the provisions of the *Business Corporations Act* of British Columbia, the TSXV policies, and National Instrument 52-110 *Audit Committees* ("NI 52-110"), the Company is required to have an Audit Committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company.

The Company must also, pursuant to the provisions of NI 52-110, have a written charter, which sets out the duties and responsibilities of its audit committee. A copy of the Company's audit committee charter is set out in Schedule "A" to this Information Circular. In providing such disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers.

Composition of the Audit Committee

The following are the current members of the Company's Audit Committee:

Paul S. Reynolds (Chair)	Independent ¹	Financially literate ¹
Darryl S. Cardey	Not Independent ¹	Financially literate ¹
Michael Sadhra	Independent ²	Financially literate ¹

1. As defined by NI 52-110.

2. Michael Sadhra resigned as CFO and Secretary of the Company on August 6, 2014.

Relevant Education and Experience

All of the Audit Committee members are businessmen with experience in financial matters, each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, internal controls and procedures necessary for financial reporting, which has been garnered from working in their individual fields of endeavor.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

Paul S. Reynolds (Chair): Mr. Reynolds holds a Bachelor of Science degree in Geology and has over 15 years of senior management experience with junior resource companies.

Darryl Cardey: Mr. Cardey holds a Chartered Accountant designation from the Institute of Chartered Accountants, British Columbia. Over the past 16 years, Mr. Cardey has acted in senior financial roles with a wide variety of private and public companies in the oil and gas, mining and technology sectors.

Michael Sadhra: Mr. Sadhra holds a Bachelor of Commerce degree from the University of British Columbia (1991) and his Chartered Accountant designation from the Institute of Chartered Accountants, British Columbia. Over the past 12 years, Mr. Sadhra has acted in senior financial roles with a variety of private and public companies; and is currently a partner of Sadhra & Chow LLP, a firm that specializes in mining taxation.

Audit Committee Oversight

At no time since the commencement of the Company's most recent completed financial year was a recommendation of the Committee to nominate or compensate an external auditor not adopted by the Board.

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 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "External Auditors".

External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditor for the fiscal periods ended February 29, 2016 and February 28, 2015 are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees ¹	Tax Fees ²	All Other Fees ³
February 28, 2015	\$5,100	Nil	\$500	Nil
February 29, 2016	\$5,100	Nil	\$750	Nil

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.

CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in

developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”) the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

Board of Directors

The Board is currently composed of three directors - Messrs. Darryl S. Cardey (CEO, CFO, President and Secretary), Paul S. Reynolds and Michael Sadhra. All of the proposed nominees are current directors of the Company.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is 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 a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-101 suggests that the board of directors should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed nominees of the Company, Paul S. Reynolds and Michael Sadhra are considered by the Board to be “independent” within the meaning of NI 58-101, and Darryl S. Cardey (CEO, CFO, President and Secretary) is considered to be “non-independent”.

The independent directors exercise their responsibility for independent oversight of management.

Board consideration and approval is required for all material contracts, business transactions and all debt and equity financing proposals. The Board delegates to management, through the CEO, responsibility for meeting defined corporate objectives, evaluating new business opportunities and complying with applicable regulatory requirements. The Board also looks to management to furnish recommendations respecting corporate objectives.

The directors believe that, at this early stage of the Company’s development, the current composition of the Board of Directors adequately facilitates its exercise of independent supervision over management. The Board anticipates that as the Company matures as a business enterprise, it will identify additional qualified candidates that have experience relevant to the Company’s needs, who are independent of management applying the guidelines contained in applicable legislation.

Directorships

The following directors of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Issuer(s)
Darryl S. Cardey	TrackX Holdings Inc. Millrock Resources Inc. Woodrose Corporation Dataminer Capital Corp. Precipitate Gold Corp. Northern Empire Resources Corp.
Michael Sadhra	Breathtec BioMedical, Inc. ValGold Resources Ltd.

Director	Other Reporting Issuer(s)
Paul S. Reynolds	Azincourt Uranium Inc. TerraX Minerals Inc. Northern Freegold Resources Ltd.

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company's business, its corporate strategy, and current issues within the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies that may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies and is on the mailing list of the TSXV to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Company's directors either by way of director or committee meetings or by direct communications from management to the directors.

Ethical Business Conduct

The Board has not adopted a written Code of Ethical Conduct for its directors, officers and employees at this time. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates in the best interests of the Company and its shareholders.

Some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities. As such, the Board must comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination of Directors and Assessment

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve. As the Company progresses as a business enterprise, the Board will consider its size on an annual basis when it considers the number of directors to recommend to shareholders for election at annual general meetings, taking into account the number required to carry out the Board's duties effectively and to maintain diversity of view and experience.

Board Committees

The Company does not have any committees other than an Audit Committee. See “Audit Committee” above.

PARTICULARS OF MATTERS TO BE ACTED UPON

A. Election of Directors

Although Management is only nominating six individuals to stand for election, the names of further nominees for directors may come from the floor at the Meeting.

Each director of the Company is elected annually and holds office until the next Annual General Meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by Proxy will, on a poll, be voted for the nominees herein listed. **Management does not contemplate that any of the nominees will be unable to serve as a director.**

The following table sets out the names of the persons to be nominated for election as directors, the positions and offices which they presently hold with the Company, their respective principal occupations or employments during the past five years if such nominee is not presently an elected director and the number of common shares of the Company which each beneficially owns, directly or indirectly, or over which control or direction is exercised as of the date of this Information Circular:

Name and Residence of Proposed Directors and Present Offices Held	Date Elected or Appointed a Director	Principal Occupation	Number of Common Shares
DARRYL S. CARDEY ¹ Vancouver, B.C. <i>CEO, CFO, President, Secretary and Director</i>	Aug. 6, 2014	President of Cardey Management Corp., a private venture capital company, since October 2000. Principal of CDM Capital Partners Inc., a private venture capital company, since April 2011. Officer and director of several public companies.	193,333
MICHAEL SADHRA ¹ Richmond, B.C. <i>Director</i>	June 10, 2010	Tax Partner, Sadhra & Chow LLP, since May 2009.	100,000
PAUL S. REYNOLDS ¹ Vancouver, B.C. <i>Director</i>	Aug. 6, 2014	Professional Geoscientist. President of Westview Consulting Ltd., a private geological and management consulting firm.	33,333
GREG SMITH Houston, Texas	Nominee	Executive Vice President & Chief Financial Officer of PetroTal LLC.	nil
MANOLO ZÚÑIGA Houston, Texas	Nominee	Chief Executive Officer and Director of PetroTal LLC.	nil
JAMES B. TAYLOR Santa Fe, New Mexico	Nominee	Businessman. Director of several private and public companies.	nil

1. Member of Audit Committee; Paul S. Reynolds - Chair.

The following is brief description of the experience of the three nominee directors:

Greg Smith

Gregory E. Smith, currently serves as Executive Vice President and Chief Financial Officer of PetroTal. He has over 25 years' experience in the oil and gas industry in various management and finance roles. He previously worked for Energy XXI, LTD and BPZ Energy. Mr. Smith has an undergraduate degree from Missouri State and a Masters in Business Administration from Texas A&M University.

Manuel Pablo Zuniga-Pflucker

Manuel Pablo Zuniga-Pflucker, currently the President and Chief Executive Officer of PetroTal, is a petroleum engineer who has over 30 years' experience. Mr. Zuniga previously founded and ran BPZ Energy from 2001 to 2015. During his tenure there, Mr. Zuniga made an oil discovery and developed the offshore Corvina field in Peru. Mr. Zuniga has helped shape policies in Peru and promoted investments into the oil and gas sector. Mr. Zuniga started his career with Occidental in 1983. Currently Mr. Zuniga serves on advisory boards at both Texas A&M University and the University of Maryland.

James B. Taylor

James B. Taylor has over 50 years' experience in the oil and gas business. He has held various senior executive roles at Occidental, including Executive Vice President of Worldwide Exploration and Development and Chief Operating Officer of Canadian Occidental, where he discovered and developed giant oil fields around the world, including the Caño Limon field in Colombia. Mr. Taylor has held numerous director and chairmanships of both private and public companies.

Except as noted herein, no proposed director:

- (a) is, at the date of this Information Circular, or has been, within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity,
 - (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
 - (ii) was the subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) 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;
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

In addition, no proposed director has 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulating authority that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The directors and senior officers of the Company as a group beneficially own, directly or indirectly, an aggregate of approximately 326,666 common shares, which collectively represent approximately 20.662% of the total votes attached to the issued and outstanding common shares of the Company.

All of the proposed nominees are resident in Canada.

B. Appointment of Auditor

The persons named in the enclosed form of Proxy will vote for the reappointment of Smythe LLP, Chartered Professional Accountants, of 7th Floor, 355 Burrard Street, Vancouver, B.C. V6C 2G8, as auditor of the Company for the ensuing year, until the close of the next annual general meeting of the members, at a remuneration to be fixed by the directors.

C. Ratification of Stock Option Plan

The Company presently has in place a “rolling” stock option plan (the “Plan”) whereby the Company is authorized to grant stock options of up to 10% of its issued and outstanding common shares, from time to time. The TSXV requires listed companies who have “rolling” stock option plans to receive shareholder approval to such Plan on a yearly basis at the Company’s annual general meeting. The Plan is described above under the heading “*Executive Compensation - Stock Option Plans and Other Incentive Plans*”.

Shareholders will be asked to consider, and if thought fit to approve a resolution ratifying and approving the Company’s Plan.

Reference can be made to the full text of the Plan which will be made available at the offices of Owen Bird Law Corporation, 29th Floor, 595 Burrard Street, Vancouver, B.C. V7X 1J5, until the business day immediately preceding the date of the Meeting.

D. Continuation to Alberta

The Company presently exists under the *Business Corporations Act* (British Columbia) (the “BCBCA”). Management is seeking shareholder approval to continue (the “Continuation”) the Company to Alberta under the *Alberta Business Corporations Act* (the “ABCA”).

The effect of the proposed Continuation will be that the Company will cease to be organized under the BCBCA and will become organized under the ABCA. Upon the Continuation, the BCBCA will cease to apply to the Company and the Company will thereupon become subject to the ABCA as if it had been originally incorporated as an Alberta company. The Continuation will not result in any change in the business of the Company or its assets, liabilities, net worth or management, or have a material adverse effect on its tax position (other than as may apply to Shareholders dissenting to the Continuation Resolution). However, the Continuation will give rise to certain changes in the corporate laws applicable to the Company. See Schedule “B” for a comparison between B.C. and Alberta corporate law. The Continuation is not a reorganization, amalgamation or merger. Shareholders’ equity interests will not be altered by the Continuation (other than with respect to Shareholders dissenting to the Continuation Resolution).

Upon shareholders approving the resolutions in item 1 above, the Company’s authorized capital will consist of an unlimited number of Common Shares. If Shareholders approve the Continuance, the Company will continue to have unlimited authorized capital. As an Alberta corporation, the Company’s charter documents will consist of Articles of Incorporation and bylaws and any amendments thereto.

Shareholders’ Rights of Dissent in Respect of the Continuance

This summary does not purport to provide a comprehensive statement of the procedures to be followed by a dissenting Shareholder who seeks payment of the fair value of the shares held by him, and is qualified in its entirety by reference to Sections 242 to 247 of the BCBCA. Sections 242 to 247 of the BCBCA are

reproduced in Schedule C to this Information Circular. The dissent procedures must be strictly adhered to and any failure by a Shareholder to do so may result in the loss of that holder's Dissent Rights. Accordingly, each Shareholder who wishes to exercise Dissent Rights should carefully consider and comply with the dissent procedures and consult such holder's legal advisers.

Written notice of dissent from the Continuance Resolution must be sent to the Company by a Dissenting Shareholder and received no later than 5:00 p.m. (Pacific Time) on February 26, 2017 or at least two days before any date to which the Meeting may be postponed or adjourned. The notice of dissent should be delivered by registered mail to the Company at the address for notice described below. After the Continuance Resolution is approved by Shareholders and within one month after the Company notifies the Dissenting Shareholder of the Company's intention to act upon the Continuance Resolution pursuant to Section 243 of the BCBCA, the Dissenting Shareholder must send to the Company, a written notice that such holder requires the purchase of all of the shares in respect of which such holder has given notice of dissent, together with the share certificate or certificates representing those the shares (including a written statement prepared in accordance with Section 244(1)(c) of the BCBCA if the dissent is being exercised by the Shareholder on behalf of a Beneficial Shareholder). A dissenting Shareholder who does not strictly comply with the dissent procedures or, for any other reason, is not entitled to be paid fair value for his, her or its shares will be deemed to have participated in the Continuance on the same basis as non-dissenting Shareholders.

Any dissenting Shareholder who has duly complied with Section 244(1) of the BCBCA, or the Company, may apply to the Court, and the Court may determine the fair value of the Dissenting Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on the Company to apply to the Court. The dissenting Shareholder will be entitled to receive the fair value that the shares had immediately before the passing of the Continuance Resolution.

All notices of dissent to the Continuance pursuant to Section 242 of the BCBCA should be sent to Owen Bird Law Corporation, 2900 – 595 Burrard Street, Vancouver, B.C. V7X 1J5 to the attention of Jeffrey B. Lightfoot (facsimile 604-632-4487), on behalf of the Company.

The Continuance Resolution

The text of the resolution in connection with the Continuance (the "Continuance Resolution") to be submitted to Shareholders at the Meeting, subject to such amendments, variations or additions as may be approved at the Meeting, is set forth below:

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. Cairo Resources Inc. (the "Company") is hereby authorized to undertake and complete the continuance (as more particularly described in the Company's management information circular dated January 20, 2017 (the "Circular")) from the Province of British Columbia to the Province of Alberta (the "Continuance"), pursuant to Section 188 of the *Business Corporations Act* (Alberta) and Section 308 of the *Business Corporations Act* (British Columbia); and any one director or officer of the Company is authorized to determine, execute and file the form of documents required in respect thereof, including any supplements or amendments thereto, and make all such applications as may be necessary in connection with the Continuance;
2. Effective on the date of such Continuance into Alberta, the Company shall adopt such Articles as the directors of the Company may approve, in substitution for the existing Articles of the Company;
3. Notwithstanding that this resolution has been passed by Shareholders, the Board is hereby authorized and empowered without further notice to, or approval of, the Shareholders, to determine not to proceed with the Continuance at any time prior to the filing of the Articles of amendment giving effect to the Continuance. The Board may, at their sole discretion, revoke this resolution before it is acted upon without further approval or authorization of the Shareholders; and

4. Any officer or director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

The Board recommends that Shareholders vote IN FAVOUR of the Continuance Resolution. In order to be effective, these resolutions must be approved by at least two-thirds of the Shares represented by the Shareholders present at the Meeting in person or by proxy. **Unless a Shareholder specifies otherwise, the persons named in the attached Proxy intend to vote in favour of the resolutions.**

OTHER MATTERS

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting the shares represented by the Instrument of Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on the SEDAR website at www.sedar.com. The Company's audited financial statements and management discussion and analysis ("MD&A") for the fiscal period ended February 29, 2016 are available for review under the Company's profile on SEDAR. Shareholders that wish to receive a copy of the Company's financial statements and MD&A may do so by signing the enclosed financial statement request form and returning it to the Company at Suite 1430, 800 West Pender Street, Vancouver, B.C. V6C 2V6.

APPROVAL

The contents of this Information Circular and the sending thereof to the shareholders of the Company have been approved by the Board of Directors.

DATED at Vancouver, British Columbia, the 20th day of January, 2017

BY ORDER OF THE BOARD

"Darryl S. Cardey"

CEO, CFO, President and Secretary

Schedule “A”**CAIRO RESOURCES INC.**
(the “Company”)**Audit Committee Charter***Mandate*

The primary function of the audit committee (the “Committee”) is to assist the Company’s board of directors (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. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. 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 systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

Composition

The Committee is to be comprised of such number of directors as determined by the Board, the majority of whom must be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee should have accounting or related financial management expertise. All members of the Committee that are not financially literate must work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee’s 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 presumably 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.

Meetings

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually.
- (b) Review the Company’s financial statements, MD&A 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 auditors.

- (c) Confirm 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.

External Auditors

- (a) Review annually, the performance of the external auditors 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 the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each yearly audit meeting, consult with the external auditors, 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.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) 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 auditors. 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 fees paid by the Company to its external auditors 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.

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' 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 auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors 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 auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors 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 confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other - Review any related-party transactions.

Schedule “B”

Comparison of Rights under the ABCA and the BCBCA

Charter Documents

Under the BCBCA, the charter documents of a company consist of a Notice of Articles, which sets forth the name of the company and the authorized share structure (including the amount and type of authorized capital), and Articles, which will govern the management of the company. The Notice of Articles is filed with the Registrar and the Articles will be maintained at the company’s registered and records office.

Under the ABCA, upon a continuation, a company has Articles of Continuation, which govern the management of the company. The Articles of Continuation are filed with the Registrar under the ABCA.

The Continuance and the adoption of the Articles will not result in any substantive changes to the constitution, powers or management of the Company, except as otherwise described herein.

Sale of a Company’s Undertaking

Under the BCBCA, the directors of a company may sell, lease or otherwise dispose of all or substantially all of the business or undertaking of the company only if it is in the ordinary course of the company’s business or with shareholder approval authorized by special resolution. Under the BCBCA, a special resolution requires the approval of a “special majority”, which means the majority specified in a company’s Articles of at least two-thirds and not more than by three-quarters of the votes cast by those shareholders voting in person or by proxy at a general meeting of the company. If the Articles do not contain a provision stipulating the special majority then a special resolution is passed by at least two-thirds of the votes cast on the resolution.

Under the ABCA, should the directors seek to sell all or substantially all of the assets or undertaking of the company, a notice of a meeting of Shareholders must be sent to each Shareholder entitled to vote at the meeting and must include a summary of the agreement of the sale, lease or exchange, and state that a dissenting shareholder is entitled to be paid the fair value of their shares, although failure to make this statement does not invalidate the sale, lease, or exchange. The ABCA provides that the approval of a sale, lease or exchange is effective when the Shareholders have approved such sale, lease or exchange by a special resolution of the holders of the shares of each class or series entitled to vote thereon. In addition, if a sale, lease or exchange by a company would affect a particular class or series of shares of the company in a manner different from the shares of another class or series of the company entitled to vote, the holders of such first mentioned class or series of shares, whether or not they are otherwise entitled to vote, are entitled to vote separately as a class or series in respect to such sale, lease or exchange.

Amendments to the Charter Documents of a Company

Changes to the Notice of Articles or Articles of a company under the BCBCA are affected by the type of resolution specified by the BCBCA, or, if the BCBCA does not specify the type of resolution, by the type of resolution specified in the Articles of the company, or, if neither the BCBCA nor the Articles specify the type of resolution, by a special resolution. This means that many alterations, including change of name or other alterations to the Articles, could be authorized solely by a resolution of the directors. In the absence of anything in the Articles, most material corporate alterations will require a special resolution. Alteration of the special rights and restrictions attached to issued shares requires, in addition to any resolution provided for by the Articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuation of a company out of the jurisdiction requires a special resolution as described above.

A company incorporated under the ABCA may amend its Articles by special resolution. The ABCA also requires a special resolution to be passed for other fundamental changes, such as altering the share capital of a company, approving a continuation in another jurisdiction, and the like.

Rights of Dissent and Appraisal

The BCBCA provides that shareholders, including beneficial holders through a registered shareholder, who dissent from certain actions being taken by a company, may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where a company proposes to:

- alter the Articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- adopt an amalgamation agreement;
- approve an amalgamation under Division 4 of Part 9 of the BCBCA;
- approve an arrangement, the terms of which arrangement permit dissent;
- authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- authorize the continuation of the company into a jurisdiction other than British Columbia; or
- take any other action where the resolution provides for a right of dissent.

The ABCA contains a similar dissent remedy, although the procedure for exercising this remedy is less detailed than the procedure contained in the BCBCA.

Oppression Remedies

Under the ABCA, a Shareholder, former Shareholder, director, former director, officer, former officer of a company or any of its affiliates, or any other person who, in the discretion of the Court, is a proper person to seek an oppression remedy, may apply to the Court for an order to rectify the matters complained of where, in respect of a company or any of its affiliates, any act or omission of the company or its affiliates effects a result, or the business or affairs of the company or its affiliates are, have been or are threatened to be carried on or conducted in a manner, or the powers of the directors of the company or any of its affiliates are, have been or are threatened to be exercised in a manner that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of any security holder, creditor, director or officer.

The oppression remedy under the BCBCA is similar to the remedy found in the ABCA, with a few differences. Under the ABCA, the applicant can complain not only about acts of the company and its directors but also acts of an affiliate of the company and the affiliate's directors, whereas under the BCBCA, the shareholder can only complain of oppressive conduct of the company. Under the BCBCA the applicant must bring the application in a "timely manner", which is not required under the ABCA. In addition, while under ABCA a company is prohibited from making a payment to a successful applicant in an oppression claim, under the BCBCA the company must make as much of the payment as possible and pay the balance when the company is able to do so.

Shareholder Derivative Actions

Under the BCBCA, a shareholder, including a beneficial shareholder or a director of a company, or any other person the court considers to be an appropriate person to bring a derivative action, may, with leave of the court, bring an action in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a company.

Under the ABCA, a Shareholder, former Shareholder, director, former director, officer, former officer of a company or any of its affiliates, or any other person who, in the discretion of the Court, is a proper person to seek leave to bring a derivative action ("**Complainant**"), may apply to the Court for an order to grant such

leave if the directors of the company or its subsidiary do not bring, diligently prosecute or defend or discontinue the action, and it appears to be in the interests of the company or its subsidiary that the action be brought, prosecuted, defended or discontinued. The Complaint must give 14 days notice to the directors of the company or its subsidiary of their intention to apply to the Court for leave to pursue a derivative action and must be acting in good faith. However, a Complainant is not required to give 14 days notice of their intention to apply to the court if all the directors of the company or its subsidiary are defendants in the action.

Requisition of Meetings

The ABCA provides that one or more Shareholders of a company holding at least five percent of the issued voting shares of the company may give notice to the directors requiring them to call and hold a meeting of Shareholders. Further, the ABCA provides that on receiving the requisition the directors shall call a meeting of Shareholders to transact the business stated in the requisition, unless a record date has been fixed and notice has been given thereof, or the directors have called a meeting of Shareholders and given notice thereof, or the business of the meeting as stated in the requisition include matters exempt by the ABCA.

The BCBCA provides that shareholders who hold at least 5% of the issued voting shares of the company that carry the right to vote at general meetings may give notice to the directors requiring them to call and hold a general meeting for the purpose of transacting any business that may be transacted at a general meeting, which meeting must be held within four months. The procedures required to requisition a meeting under the BCBCA are more formal than the procedure under the ABCA.

Place of Meetings

The ABCA provides that, subject to the articles and any unanimous shareholder agreement, a meeting of shareholders of a company shall be held at such place in Alberta as the directors determine. In the absence of such a determination, the meeting of shareholders shall be held at the registered office of the company.

The BCBCA requires all meetings of shareholders to be held in British Columbia unless: (a) a location outside British Columbia is provided for in the company's Articles; (b) the Articles do not restrict the company from approving a location outside British Columbia and the location is approved by the resolution required by the Articles for that purpose or if the Articles do not provide it is approved by an ordinary resolution; or (c) the location is approved in writing by the Registrar under the BCBCA before the meeting is held.

Directors

The BCBCA provides that a public company must have at least three directors but does not have any residency requirements for a company's directors. The ABCA provides that a company shall have a board of directors which consists of at least one individual in the case of a company that is not an offering corporation, and not fewer than three individuals in the case of a company that is an offering corporation. The ABCA provides that at least one-quarter of all directors must be Canadian residents.

Reduction of Capital

Under the BCBCA, capital may be reduced by special resolution or court order. A court order is required if the realizable value of the company's assets would, after the reduction of capital, be less than the aggregate of its liabilities.

Under the ABCA, capital may be reduced by special resolution but not if reasonable grounds for believing that, after the reduction, (i) the company would be unable to pay its liabilities as they become due; or (ii) the realizable value of the company's assets would be less than its liabilities.

Amalgamations

The BCBCA allows for amalgamations effected with or without court approval. A company may amalgamate with a company from a foreign jurisdiction and carry on as either a BC company or, if allowed by the foreign jurisdiction, a company organized under the foreign jurisdiction.

The ABCA provides similar rules pertaining to amalgamations, but does not provide a provision for amalgamation pursuant to court approval.

Compulsory Acquisition

The ABCA provides a right of compulsory acquisition for an offeror that acquires 90% of the target securities pursuant to a take-over bid, other than securities held at the date of the bid by or on behalf of the offeror.

The BCBCA provides a substantively similar right although there are differences in the procedures and process. Unlike the ABCA, BCBCA provides that where an offeror does not use the compulsory acquisition right when entitled to do so, a securityholder who did not accept the original offer may require the offeror to acquire the securityholder's securities on the same terms contained in the original offer.

Investigation/Appointment of Inspectors

Under the BCBCA, a company may appoint an inspector by special resolution. Shareholders holding at least one-fifth of the issued shares of a company may apply to the court for the appointment of an inspector. The court must consider whether there are reasonable grounds for believing there has been oppressive, unfairly prejudicial, fraudulent, unlawful or dishonest conduct.

Under the ABCA, shareholders can apply to the court for the appointment of an inspector. Unlike the BCBCA, the ABCA does not require an applicant to hold a specified number of shares.

Schedule “C”

DISSENT PROVISIONS OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

DEFINITIONS AND APPLICATION

237 (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or
- (d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

RIGHT TO DISSENT

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles
 - (i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or
 - (ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91; under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;

- (h) in respect of any court order that permits dissent.
- (2) A shareholder wishing to dissent must
 - (a) prepare a separate notice of dissent under section 242 for
 - (i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
 - (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
 - (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.
- (3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must
 - (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
 - (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

WAIVER OF RIGHT TO DISSENT

- 239** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.
- (2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must
 - (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
 - (b) identify in each waiver the person on whose behalf the waiver is made.
- (3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to
 - (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and
 - (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

NOTICE OF RESOLUTION

- 240** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
 - (a) a copy of the proposed resolution, and

- (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
- (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
- (b) a statement advising of the right to send a notice of dissent, and
- (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

NOTICE OF COURT ORDERS

- 241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent
- (a) a copy of the entered order, and
- (b) a statement advising of the right to send a notice of dissent.

NOTICE OF DISSENT

- 242 (1)** A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,
- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,
- (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
- (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
- (i) the date on which the shareholder learns that the resolution was passed, and
- (ii) the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company
- (a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
 - (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - (i) the name and address of the beneficial owner, and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

NOTICE OF INTENTION TO PROCEED

- 243 (1)** A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

COMPLETION OF DISSENT

- 244 (1)** A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
 - (b) the certificates, if any, representing the notice shares, and

- (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

PAYMENT FOR NOTICE SHARES

- 245 (1)** A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)
- (a) of this section, the company must
 - (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

LOSS OF RIGHT TO DISSENT

- 246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:
- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
 - (b) the resolution in respect of which the notice of dissent was sent does not pass;
 - (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
 - (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
 - (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
 - (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
 - (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
 - (h) the notice of dissent is withdrawn with the written consent of the company;
 - (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

SHAREHOLDERS ENTITLED TO RETURN OF SHARES AND RIGHTS

- 247** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,
- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
 - (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
 - (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

THIS PAGE INTENTIONALLY LEFT BLANK

