

# **RAILTOWN CAPITAL CORP.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**Dated: May 17, 2023**

## **Meeting Details**

**Date:** June 28, 2023  
**Time:** 9:00 a.m. (Vancouver time)  
**Place:** Suite 2200, 885 West Georgia Street, Vancouver,  
British Columbia

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

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the holders of common shares (“**Shareholders**”) of Railtown Capital Corp. (the “**Company**”) will be held at Suite 2200, 885 West Georgia Street, Vancouver, British Columbia, Canada on the 28<sup>th</sup> day of June, 2023, at 9:00 a.m. (Vancouver time) for the following purposes:

- (a) to receive the audited financial statements of the Company for the financial year ended November 30, 2022 and the report of the auditor thereon;
- (b) to re-appoint MNP LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and authorize the board of directors to fix the remuneration of the auditor;
- (c) to set the number of directors of the Company for the ensuing year at four (4);
- (d) to elect directors of the Company to hold office for the ensuing year; and
- (e) to consider, and if deemed advisable, to pass, with or without variation, an ordinary resolution of approving certain amendments to the Company’s stock option plan, as more particularly described in the Company’s information circular (the “**Circular**”), dated May 17, 2023, for the Meeting.

The specific details of the foregoing matters to be put before the Meeting, as well as further information with respect to voting by proxy, are set forth in the Circular, which accompanies this notice of the Meeting.

**A Shareholder who is unable to attend the Meeting in person and who wishes to ensure that such Shareholder’s shares will be voted at the Meeting is requested to complete, date and sign the enclosed form of proxy and deliver it in accordance with the instructions set out in the form of proxy and in the Circular.**

**We strongly encourage Shareholders to vote their common shares prior to the Meeting by proxy, prior to the proxy cut-off at 9:00 a.m. (Vancouver time) on June 26, 2023, as voting will not be available via telephone on the day of the Meeting.**

As set out in the notes, the enclosed proxy is solicited by management, but, you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided, the name of the person you wish to represent you at the Meeting.

**DATED** this 17<sup>th</sup> day of May, 2023

By order of the Board of Directors

**RAILTOWN CAPITAL CORP.**

*/s/ “Cameron White”*

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**Cameron White**  
**Director, CEO, President and Corporate Secretary**

## **MANAGEMENT INFORMATION CIRCULAR**

(containing information as at May 17, 2023 unless otherwise stated)

**For the Annual General and Special Meeting  
to be held on June 28, 2023**

### **SOLICITATION OF PROXIES**

This Information Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management (the “**Management**”) of Railtown Capital Corp. (the “**Company**”), for use at the annual general and special meeting (the “**Meeting**”) of the shareholders (the “**Shareholders**”) of the Company to be held on June 28, 2023 at the time and place and for the purposes set forth in the accompanying notice of Meeting (“**Notice**”) and at any adjournment thereof.

**We strongly encourage Shareholders to vote their common shares prior to the Meeting by proxy, prior to the proxy cut-off at 9:00 a.m. (Vancouver time) on June 26, 2023, as voting will not be available via telephone on the day of the Meeting.**

The enclosed form of proxy (the “**Proxy**”) is solicited by Management. The solicitation will be primarily by mail however, proxies may be solicited personally or by telephone by the regular officers and employees of the Company. The cost of solicitation will be borne by the Company.

### **APPOINTMENT AND REVOCATION OF PROXIES**

The persons named in the Proxy are representatives of the Company.

**A Shareholder entitled to vote at the Meeting has the right to appoint a person (who need not be a Shareholder) to attend and act on the Shareholder’s behalf at the Meeting other than the persons named in the accompanying Proxy. To exercise this right, a Shareholder shall strike out the names of the persons named in the accompanying Proxy and insert the name of the Shareholder’s nominee in the blank space provided or complete another suitable form of proxy.**

A Proxy will not be valid unless it is duly completed, signed and deposited with the Company’s registrar and transfer agent, Odyssey Trust Company (“**Odyssey**”) by hand or mail at the United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, or by fax within North America at 1-800-517-4553 or via email to proxy@odysseytrust.com, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. A Proxy must be signed by the Shareholder or by his or her 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.

A Shareholder who has given a proxy may revoke it at any time before it is exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing, or, if the Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer and deposited by hand or mail with Odyssey at the United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, or by fax within North America at 1-800-517-4553 or via email to proxy@odysseytrust.com, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

These security holder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, 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.

## **VOTING BY PROXYHOLDER**

### **Manner of Voting**

The common shares in the capital of the Company (“**Common Shares**”) represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice on the Proxy with respect to any matter to be acted upon, the shares will be voted accordingly. On any poll, the persons named in the Proxy (the “**Proxyholders**”) will vote the shares in respect of which they are appointed. Where directions are given by the Shareholder in respect of voting for or against any resolution, the Proxyholder will do so in accordance with such direction.

The Proxy, when properly signed, confers discretionary authority on the Proxyholder with respect to amendments or variations to the matters which may properly be brought before the Meeting. At the time of printing this Circular, Management 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 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 Proxyholder.

**In the absence of instructions to the contrary, the Proxyholders intend to vote the Common Shares represented by each Proxy, properly executed, in favour of the motions proposed to be made at the Meeting as stated under the headings in this Circular.**

### **Voting Thresholds Required for Approval**

In order to approve a motion proposed at the Meeting, a majority of at least one-half of the votes cast will be required (an “**Ordinary Resolution**”) unless the motion requires a special resolution (a “**Special Resolution**”), in which case a majority of not less than two-thirds of the votes cast will be required. In the event a motion proposed at the Meeting requires disinterested Shareholder approval, Common Shares held by Shareholders of the Company who are also “insiders”, as such term is defined under applicable securities laws, will be excluded from the count of votes cast on such motion.

## **ADVICE TO REGISTERED SHAREHOLDERS**

Shareholders whose names appear on the records of the Company as the registered holders of Common Shares (the “**Registered Shareholders**”) may choose to vote by proxy whether or not they are able to attend the Meeting in person.

Registered Shareholders who choose to submit a Proxy may do so by completing, signing, dating and depositing the Proxy with Odyssey at the United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2, or by fax within North America at 1-800-517-4553 not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or any adjournment thereof. The Proxy may be signed by the Shareholder or by his or her attorney in writing, or, if the Registered Shareholder is a corporation, it must either be under its common seal or signed by a duly authorized officer.

### **Returning your Proxy Form**

To be effective, we must receive your completed proxy form or voting instruction no later than 9:00 a.m. (Vancouver time) on June 26, 2023.

If the Meeting is postponed or adjourned, we must receive your completed form of proxy by 5:00 p.m. (Vancouver time), two full business days before any adjourned or postponed Meeting at which the proxy is to be used. Late proxies may be accepted or rejected by the Chairperson of the Meeting at their discretion and they are under no obligation to accept or reject a late proxy. The Chairperson of the Meeting may waive or extend the proxy cut-off without notice.

## ADVICE TO BENEFICIAL SHAREHOLDERS

**The information set forth in this section is of significant importance to many Shareholders as a substantial number of Shareholders do not hold shares in their own name.**

Shareholders who do not hold their shares in their own name (referred to in this information circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Registered Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting.

If shares are listed in an account statement provided to a Shareholder by an intermediary, such as a brokerage firm, then, in almost all cases, those shares will not be registered in the Shareholder’s name on the records of the Company. Such shares will more likely be registered under the name of the Shareholder’s intermediary or an agent of that intermediary, and consequently the Shareholder will be a Beneficial Shareholder. In Canada, the vast majority of such shares are registered under the name CDS & Co. (being the registration name for the Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). The shares held by intermediaries or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, an intermediary and its agents are prohibited from voting shares for the intermediary’s clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to a Beneficial Shareholder by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the Beneficial Shareholder.

The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communications (“**Broadridge**”). Broadridge typically supplies a voting instruction form, mails those forms to Beneficial Shareholders and asks those Beneficial Shareholders to return the forms to Broadridge or follow specific telephone or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure such shares are voted.**

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (“**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (“**NOBOs**” for Non-Objecting Beneficial Owners). Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy related materials directly to NOBOs. This year, the Company has decided to take advantage of those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form (“**VIF**”) from our Transfer Agent, Odyssey. These VIFs are to be completed and returned to Odyssey in the envelope provided or by facsimile. In addition, Odyssey provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Odyssey will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive. The Company does not intend to pay for intermediaries to deliver these securityholder materials to OBOs and, as a result, OBOs will not be sent paper copies unless their intermediary assumes the costs.

These proxy-related materials are being sent to both Registered Shareholders and Beneficial Shareholders of the Company. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf. In this event, 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.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting shares registered in the name of their broker, agent or nominee, a Beneficial Shareholder may attend the Meeting as a Proxyholder for a Registered Shareholder and vote their shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as Proxyholder for a Registered Shareholder should contact their broker, agent or nominee well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their shares as a Proxyholder.

### **Non-Objecting Beneficial Owners**

Pursuant to NI 54-101, issuers can obtain a list of their NOBOs from intermediaries for distribution of proxy-related materials directly to NOBOs. This year, the Company will rely on those provisions of NI 54-101 that permit it to directly deliver proxy-related materials to its NOBOs. As a result, NOBOs can expect to receive a scannable VIF from the Company's transfer agent, Odyssey. These VIFs are to be completed and returned to Odyssey in the envelope provided or by facsimile. In addition, Odyssey provides both telephone voting and internet voting as described on the VIF itself which contains complete instructions. Odyssey will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

If you are a Beneficial Shareholder and the Company or its agent has sent these proxy-related materials to you directly, please be advised that your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding your securities on your behalf. By choosing to send these proxy-related materials to you directly, the Company (and not the intermediaries holding securities your behalf) has assumed responsibility for (i) delivering the proxy-related materials to you and (ii) executing your proper voting instructions as specified in the VIF.

### **Objecting Beneficial Owners**

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their shares are voted at the Meeting.

Applicable regulatory rules require intermediaries to seek voting instructions from OBOs in advance of Shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by OBOs in order to ensure that their shares are voted at the Meeting. The purpose of the form of proxy or voting instruction form provided to an OBO by its broker, agent or nominee is limited to instructing the registered holder of the shares on how to vote such shares on behalf of the OBO.

The form of proxy provided to OBOs by intermediaries will be similar to the Proxy provided to Registered Shareholders. However, its purpose is limited to instructing the intermediary on how to vote your shares on your behalf. The majority of intermediaries now delegate responsibility for obtaining instructions from OBOs to Broadridge. Broadridge typically supplies voting instruction forms, mails those forms to OBOs, and asks those OBOs to return the forms to Broadridge or follow specific telephonic or other voting procedures. Broadridge then tabulates the results of all instructions received by it and provides appropriate instructions respecting the voting of the shares to be represented at the meeting. **An OBO receiving a voting instruction form from Broadridge cannot use that form to vote shares directly at the Meeting. Instead, the voting instruction form must be returned to Broadridge or the alternate voting procedures must be completed well in advance of the Meeting in order to ensure that such shares are voted.**

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

Except as otherwise disclosed herein, none of the directors ("**Directors**") or officers ("**Officers**") of the Company, at any time since the beginning of the Company's last financial year, nor any proposed nominee for election as a Director, or any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting exclusive of the election of directors or the appointment of auditors. Directors and Officers

may, however, be interested in the approval of the Option Plan as detailed in “*Approval of Stock Option Plan*” below, as such persons are entitled to participate in the Option Plan.

### **RECORD DATE, VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

A Shareholder of record at the close of business on May 17, 2023 (the “**Record Date**”) who either personally attends the Meeting or who has completed and delivered a proxy in the manner and subject to the provisions described above, shall be entitled to vote or to have such Shareholder’s shares voted at the Meeting, or any adjournment thereof.

The Company’s authorized capital consists of an unlimited number of Common Shares without par value. As at the Record Date, the Company has 13,000,000 Common Shares issued and outstanding, each share carrying the right to one vote.

### **Principal Holders of Voting Securities**

To the best of knowledge of the Directors and Officers of the Company, as of the date of the Circular, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company.

### **EXECUTIVE COMPENSATION**

For the purpose of this Circular:

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

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

“**equity incentive plan**” means an incentive plan, or portion of an incentive plan, under which awards are granted and that falls within the scope of IFRS 2 *Share-Based Payments*;

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

- (a) a CEO;
- (b) a CFO;
- (c) the most highly compensated executive officer, or the most highly compensated individual acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, as determined in accordance with subsection 1.3(6) of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”), for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

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

### **Statement of Executive Compensation**

The following information regarding executive compensation is presented in accordance with *National Instrument Form 51-102F6V – Statement of Executive Compensation* and sets forth compensation for each of the NEOs and Directors of the Company.

### **Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Company to each NEO and Director, in any capacity, for the two most recently completed financial years:

Table of Compensation Excluding Compensation Securities								
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Pension value (\$)	Value of all other compensation (\$)	Total compensation (\$)
Cameron White <i>Director, CEO, President and Corporate Secretary</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Claudia Tornquist <i>Director and Chief Financial Officer</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Timothy Gamble <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Graeme Barker <i>Director</i>	2022	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2021	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Financial year ended November 30.

### **Stock Options and Other Compensation Securities**

No NEO or Director of the Company was granted stock options or other compensation securities of the Company in the financial year ended November 30, 2022.

### **Exercise of Compensation Securities by Directors and NEOs**

No NEO or Director of the Company exercised compensation securities of the Company in the financial year ended November 30, 2022.

### **Stock Option Plans and Other Incentive Plans**

The Company's current stock option plan (the "Option Plan") allows the Board to grant options (the "Options") to purchase Common Shares of the Company to directors, officers, employees and consultants of the Company or affiliated corporations. The purpose of the Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire Common Shares, thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Under the Option Plan, the maximum number of Common Shares reserved for issuance, including Options currently outstanding, is equal to ten (10%) percent of the Common Shares outstanding from time to time.

The number of Common Shares reserved for issuance to any director, officer, employee and consultant of the Company will not exceed 5% of the issued and outstanding Common Shares, and the number of Common Shares reserved for issuance to all technical consultants will not exceed 2% of the issued and outstanding Common Shares. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3-month period.

However, as long as the Company is classified as a Capital Pool Company ("CPC"), the terms and conditions of the Option Plan remain subject to certain restrictions.

As of the Record Date, there are 1,300,000 Options outstanding under the Option Plan, all of which are held by NEOs or Directors of the Company. Under the policies of the Exchange, a rolling stock option plan must be re-approved on a yearly basis by Shareholders.

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

The Company does not have any contracts, agreements, plans or arrangements that provide for payments to a Director or NEO at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

## **Oversight and Description of Director and NEO Compensation**

The compensation of the Company's NEOs is determined by the Board. As a capital pool company, the Company is currently prohibited from paying Directors, Officers or other non-arm's length parties or to persons engaged in investor relations activities pursuant to policy 2.4 of the Exchange's Corporate Finance Manual until it has completed a qualifying transaction and a final bulletin has been issued by the Exchange. The Company is permitted to reimburse non-arm's length parties for rent, secretarial services and other general and administrative expenses at fair market value.

As a result, the Company does not have a formal compensation program and relies upon the grant of Options pursuant to the Option Plan to provide compensation to the NEOs and Directors. Option grants are designed to reward the NEOs for success on a similar basis as the Shareholders, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

When new Options are granted, the Board takes into account the previous grants of Options, the number of Options currently held, position, overall individual performance, anticipated contribution to the Company's future success and the individual's ability to influence corporate and business performance. The purpose of granting such Options is to assist the Company in compensating, attracting, retaining and motivating the Officers, Directors and employees of the Company and to closely align the personal interest of such persons to the interest of the Shareholders. The exercise price of the Options granted is determined by the trading price of the Common Shares at the time of grant.

Compensation for the most recently completed financial year should not be considered an indicator of expected compensation levels in future periods. All compensation is subject to and dependent on the Company's financial resources and prospects.

## **Pension Plan Benefits**

No pension, retirement or deferred compensation plans, including defined contribution plans, have been instituted by the Company and none are proposed at this time.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets out information with respect to all compensation plans under which equity securities are authorized for issuance as of the date hereof:

<b>Equity Compensation Plan Information</b>			
<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	1,300,000	\$0.10	Nil
Equity compensation plans not approved by securityholders <sup>(2)</sup>	N/A	N/A	N/A
Total	1,300,000	\$0.10	Nil

(1) Represents the Option Plan of the Company, which reserves a number of Common Shares equal to 10% of the then outstanding Common Shares from time to time for issue pursuant to stock options. For further information on the Option, refer to the heading "Stock Option Plans and Other Incentive Plans".

(2) At the Meeting, Shareholder will vote on whether to approve amendments to the Option Plan. For further information on the Option Plan and Amended Option Plan (as defined below), refer to the heading "Approval of Option Plan Amendments".

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

None of the current or former directors, executive officers, employees of the Company, the proposed nominees for election to the Board, or their respective associates or affiliates, are or have been indebted to the Company since the beginning of the most recently completed financial year of the Company.

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

For purposes of the following discussion, “**Informed Person**” means:

- (a) a Director or Officer;
- (b) a director or executive officer of a person or company that is itself an Informed Person or a Subsidiary;
- (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company, other than the voting securities held by the person or company as underwriter in the course of a distribution; and
- (d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

None of

- (a) the Informed Persons of the Company;
- (b) the proposed nominees for election as a Director; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in a proposed transaction which has materially affected or would materially affect the Company or any subsidiary of the Company.

## **MANAGEMENT CONTRACTS**

The management functions of the Company are not, to any substantial degree, performed by persons other than the Directors and Officers.

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

### **Presentation of Financial Statements**

The audited financial statements of the Company for the financial year ended November 30, 2022 (the “**Financial Statements**”) and the auditor's report thereon (the “**Auditor's Report**”), will be presented to Shareholders at the Meeting.

The Financial Statements, Auditor's Report, and management's discussion and analysis (“**MD&A**”) for the financial year ended November 30, 2022 are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com). The Notice of Annual General and Special Meeting of Shareholders, Information Circular, Request for Financial Statements (NI 51-102) and form of Proxy will be available from Odyssey at the United Kingdom Building, Suite 350, 409 Granville Street, Vancouver, British Columbia, V6C 1T2 or from the office of the Company's counsel, which is located at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

### **Appointment and Remuneration of Auditor**

MNP LLP (“**MNP**”) is the Company's auditor and was first appointed as the Company's auditor on March 10, 2021. Management is recommending the re-appointment of MNP as auditor for the Company, to hold office until the next annual general meeting of the Shareholders at a remuneration to be fixed by the Board.

**Management recommends a vote FOR the appointment of MNP as the Company's auditor to hold office until the next annual general meeting of Shareholders at a remuneration to be fixed by the Board. In the absence of instructions to the contrary, the enclosed Proxy will be voted for such resolution.**

### **Fixing the Number of Directors**

The Board presently consists of four directors and Management proposes, and the persons named in the accompanying form of proxy intend to vote in favour of, fixing the number of Directors for the ensuing year at four. Although Management is nominating four individuals to stand for election, the names of further nominees for Directors may come from the floor at the Meeting.

**Management recommends a vote FOR fixing the number of Directors at five for the ensuing year. In the absence of instructions to the contrary, the enclosed Proxy will be voted for such resolution.**

### **Election of Directors**

The Board currently consists of four directors. The term of office for each of the present directors of the Company expires at the Meeting. The directors of the Company are elected annually and hold office until the next annual general meeting of the Shareholders or until their successors are elected or appointed. Management proposes to nominate the persons listed below for election as directors of the Company to serve until their successors are elected or appointed.

**Management recommends a vote FOR the nominees listed in this Information Circular. In the absence of instructions to the contrary, the enclosed Proxy will be voted for such resolution.**

Management does not contemplate that any such nominee will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies in favour of management designees will be voted for another nominee in their discretion unless the Shareholder has specified in his or her proxy that his or her shares are to be withheld from voting in the election of directors.**

The following table sets out the names of the nominees for election as directors, their jurisdiction of residence, the office(s) they hold within the Company, their principal occupations (and, if not previously elected as a director, their principal occupations during the last five years), the date since when they have been a director of the Company, and the number of 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:

<b>Name, Province and Country of ordinary residence<sup>(1)</sup>, and positions held with the Company<sup>(1)</sup></b>	<b>Principal occupation and, IF NOT an elected Director, principal occupation during the past five years<sup>(1)</sup></b>	<b>Date(s) serving as a Director<sup>(2)</sup></b>	<b>No. of shares beneficially owned or controlled<sup>(1)</sup></b>
<b>Cameron White</b> British Columbia, Canada <i>Director, CEO, President and Corporate Secretary</i>	President of Koele Capital Corporation	Since June 22, 2020	700,000
<b>Claudia Tornquist<sup>(3)(4)</sup></b> British Columbia, Canada <i>Director and Chief Financial Officer</i>	President & CEO of Kodiak Copper Corp.	Since August 5, 2020	1,000,000
<b>Timothy Gamble<sup>(3)</sup></b> British Columbia, Canada <i>Director</i>	President of Plantation Capital Corporation	Since June 22, 2020	700,000
<b>Graeme Barker<sup>(3)</sup></b> British Columbia, Canada <i>Director</i>	President of Beach Advisors Ltd.	Since June 22, 2020	300,000

- (1) *This information, not being within the knowledge of the Company, has been furnished by the respective nominees. Information provided as at the Record Date.*
- (2) *The Company does not set expiry dates for the terms of office of Directors. Each Director holds office as long as they are elected annually by Shareholders at annual general meetings, unless their office is earlier vacated in accordance with the Articles of the Company.*
- (3) *Member of the Audit Committee.*
- (4) *Chair of the Audit Committee.*

### **Cease Trade Orders, Corporate and Personal Bankruptcies, Penalties and Sanctions**

For purposes of the disclosure in this section, an “order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days; and for purposes of item (a)(i) below, specifically includes a management cease trade order which applies to directors or executive officers of a relevant company that was in effect for a period of more than 30 consecutive days whether or not the proposed director was named in the order.

Other than as set out below, none of the proposed directors, including any personal holding company of a proposed director:

- (a) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:
  - (i) was subject to an order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
  - (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer of the company; or
- (b) is, as at the date of this Circular, or has been, within the 10 years before the date of this Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within the 10 years before the date of this 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;
- (d) 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 since December 31, 2000, or before December 31, 2000 if the disclosure of which would likely be important to a reasonable security holder in deciding whether to vote for a proposed director, or
- (e) has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

Mr. White is a former director of Gordon Creek Energy Inc. (“**Gordon Creek**”). On June 6, 2016 a cease trade order was issued against Gordon Creek by the British Columbia Securities Commission for failure to file annual audited financial statements and management’s discussion and analysis for the year ended January 31, 2016. The cease trade order is still in effect.

## **Approval of Option Plan Amendments**

At the Meeting, Shareholders are being asked to pass an Ordinary Resolution in the form set out below (the “**Amended Stock Option Plan Resolution**”), approving amendments to the Company’s current Option Plan to revise it in accordance with certain updates to Policy 2.4 and Policy 4.4 of the Exchange’s Corporate Finance Manual (the “**Updated Exchange Policies**”). In addition to updating the Option Plan in accordance with the Updated Exchange Policies, the amendments would, among other things, permit the Company to issue Options to certain charitable organizations and limit the number of Options that can be granted to Insiders of the Company (as a group) at any one time or in any 12-month period to 10% of the issued and outstanding Common Shares at the time of the grant, unless the Company obtains disinterested Shareholder approval.

A copy of the proposed amended Option Plan (the “**Amended Option Plan**”), as redlined against the existing Option Plan, is attached as Schedule “C” to this Circular. The Exchange has conditionally approved the adoption of the Amended Option Plan, subject to Shareholder and Board approval.

### ***The Amended Stock Option Plan Resolution***

At the Meeting, Shareholders will be asked to pass, as an Ordinary Resolution, the Amended Stock Option Plan Resolution to approve the adoption of the Amended Option Plan, substantially in the following form:

#### **“BE IT RESOLVED THAT:**

1. subject to the approval of the Exchange, the adoption of the Company’s Amended Option Plan as described in the Circular, with such amendments set out in the blackline of the Option Plan to the Amended Option Plan attached as Schedule “C” to the Circular, is hereby authorized, ratified, confirmed and approved;
2. the directors of the Company be authorized to perform all such other acts and things as may be necessary or desirable to carry out and to fulfill the intent of the foregoing resolution; and that the directors of the Company be authorized to implement or abandon these resolutions in whole or in part, at any time and from time to time in their sole discretion, all without further approval, ratification or confirmation by shareholders.”

**Management recommends a vote FOR the Amended Stock Option Plan Resolution. In the absence of instructions to the contrary, the enclosed Proxy will be voted for such resolution.** If Shareholder approval is obtained at the Meeting, the Amended Option Plan will replace the current Option Plan, and the Amended Option Plan will be filed on SEDAR. If not approved, the current Option Plan will continue in full force and effect.

## **OTHER MATTERS**

As of the date of this Circular, management knows of no other matters to be acted upon at the Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting the shares represented by the proxy.

## **AUDIT COMMITTEE DISCLOSURE**

The Charter of the Company’s audit committee and other information required to be disclosed by National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) is attached to this Circular as Schedule “A”.

## **CORPORATE GOVERNANCE DISCLOSURE**

The information required to be disclosed by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* is attached to this Circular as Schedule “B”.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of the Company’s Financial Statements and Management Discussion and Analysis may be obtained without

charge upon request from the Company, at Suite 2200, HSBC Building, 885 West Georgia Street, Vancouver, British Columbia, V6C 3E8.

**DIRECTOR APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders have been approved by the Directors.

**DATED** at Vancouver, British Columbia, this 17<sup>th</sup> day of May 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

**RAILTOWN CAPITAL CORP.**

*"Cameron White"*

**Cameron White**

***Director, CEO, President and Corporate Secretary***

**SCHEDULE "A"**  
**FORM 52-110F2**  
**AUDIT COMMITTEE DISCLOSURE**  
**(VENTURE ISSUERS)**

*Item 1: The Audit Committee Charter*

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of the Company. The role of the Committee is to provide oversight of the Company's financial management and of the design and implementation of an effective system of internal financial controls as well as to review and report to the Board on the integrity of the financial statements of the Company, its subsidiaries and associated companies. This includes helping directors meet their responsibilities, facilitating better communication between directors and the external auditor, enhancing the independence of the external auditor, increasing the credibility and objectivity of financial reports and strengthening the role of the directors by facilitating in-depth discussions among directors, management and the external auditor. Management is responsible for establishing and maintaining those controls, procedures and processes and the Committee is appointed by the Board to review and monitor them. The Company's external auditor is ultimately accountable to the Board and the Committee as representatives of the Company's shareholders.

Duties and Responsibilities

External Auditor

To recommend to the Board, for shareholder approval, an external auditor to examine the Company's accounts, controls and financial statements on the basis that the external auditor is accountable to the Board and the Committee as representatives of the shareholders of the Company.

- (a) To oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.
- (b) To evaluate the audit services provided by the external auditor, pre-approve all audit fees and recommend to the Board, if necessary, the replacement of the external auditor.
- (c) To pre-approve any non-audit services to be provided to the Company by the external auditor and the fees for those services.
- (d) To obtain and review, at least annually, a written report by the external auditor setting out the auditor's internal quality-control procedures, any material issues raised by the auditor's internal quality-control reviews and the steps taken to resolve those issues.
- (e) To review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company. The Committee has adopted the following guidelines regarding the hiring of any partner, employee, reviewing tax professional or other person providing audit assurance to the external auditor of the Company on any aspect of its certification of the Company's financial statements:
  - (f) No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;
    - i. No member of the audit team that is auditing a business of the Company can be hired into that business or into a position to which that business reports for a period of three years after the audit;

- ii. No former partner or employee of the external auditor may be made an officer of the Company or any of its subsidiaries for three years following the end of the individual's association with the external auditor;
  - iii. The Chief Financial Officer (“**CFO**”) must approve all office hires from the external auditor; and
  - iv. The CFO must report annually to the Committee on any hires within these guidelines during the preceding year.
- (g) To review, at least annually, the relationships between the Company and the external auditor in order to establish the independence of the external auditor.

#### Financial Information and Reporting

- (a) To review the Company's annual audited financial statements with the Chief Executive Officer (“**CEO**”) and CFO and then the full Board. The Committee will review the interim financial statements with the CEO and CFO.
- (b) To review and discuss with management and the external auditor, as appropriate:
  - i. The annual audited financial statements and the interim financial statements, including the accompanying management discussion and analysis; and
  - ii. Earnings guidance and other releases containing information taken from the Company's financial statements prior to their release.
- (c) To review the quality and not just the acceptability of the Company's financial reporting and accounting standards and principles and any proposed material changes to them or their application.
- (d) To review with the CFO any earnings guidance to be issued by the Company and any news release containing financial information taken from the Company's financial statements prior to the release of the financial statements to the public. In addition, the CFO must review with the Committee the substance of any presentations to analysts or rating agencies that contain a change in strategy or outlook.

#### Oversight

- (a) To review the internal audit staff functions, including:
  - i. The purpose, authority and organizational reporting lines;
  - ii. The annual audit plan, budget and staffing; and
  - iii. The appointment and compensation of the controller, if any.
- (b) To review, with the CFO and others, as appropriate, the Company's internal system of audit controls and the results of internal audits.
- (c) To review and monitor the Company's major financial risks and risk management policies and the steps taken by management to mitigate those risks.
- (d) To meet at least annually with management (including the CFO), the internal audit staff, and the external auditor in separate executive sessions and review issues and matters of concern respecting audits and financial reporting.
- (e) In connection with its review of the annual audited financial statements and interim financial statements, the Committee will also review the process for the CEO and CFO certifications (if required by law or regulation) with respect to the financial statements and the Company's disclosure and internal controls, including any material deficiencies or changes in those controls.

## Membership

- (a) The Committee shall consist solely of three or more members of the Board, the majority of which the Board has determined has no material relationship with the Company and is otherwise “unrelated” or “independent” as required under applicable securities rules or applicable stock exchange rules.
- (b) Any member may be removed from office or replaced at any time by the Board and shall cease to be a member upon ceasing to be a director. Each member of the Committee shall hold office until the close of the next annual meeting of shareholders of the Company or until the member ceases to be a director, resigns or is replaced, whichever first occurs.
- (c) The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine.
- (d) All members of the Committee must be “financially literate” (i.e., have the ability to read and understand a set of financial statements such as a balance sheet, an income statement and a cash flow statement).

## Procedures

- (a) The Board shall appoint one of the directors elected to the Committee as the Chair of the Committee (the “**Chair**”). In the absence of the appointed Chair from any meeting of the Committee, the members shall elect a Chair from those in attendance to act as Chair of the meeting.
- (b) The Chair will appoint a secretary (the “**Secretary**”) who will keep minutes of all meetings. The Secretary does not have to be a member of the Committee or a director and can be changed by simple notice from the Chair.
- (c) No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum and provided that a majority of the members must be “independent” or “unrelated”.
- (d) The Committee will meet as many times as is necessary to carry out its responsibilities. Any member of the Committee or the external auditor may call meetings.
- (e) The time and place of the meetings of the Committee, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Committee, unless otherwise provided for in the articles of the Company or otherwise determined by resolution of the Board.
- (f) The Committee shall have the resources and authority necessary to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms (including termination) of special counsel, advisors or other experts or consultants, as it deems appropriate.
- (g) The Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or the CFO such records and other matters considered appropriate.
- (h) The Committee has the authority to communicate directly with the internal and external auditors.

## Reports

The Committee shall produce the following reports and provide them to the Board:

- (a) An annual performance evaluation of the Committee, which evaluation must compare the performance of the Committee with the requirements of this Charter. The performance evaluation should also recommend to the Board any improvements to this Charter deemed

necessary or desirable by the Committee. The performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate. The report to the Board may take the form of an oral report by the Chair or any other member of the Committee designated by the Committee to make this report.

- (b) A summary of the actions taken at each Committee meeting, which shall be presented to the Board at the next Board meeting.

#### *Item 2: Composition of the Audit Committee*

National Instrument 52-110 Audit Committees, (“NI 52-110”) provides that a member of an audit committee is “independent” if the member has no direct or indirect material relationship with the Company, which could, in the view of the Company’s Board, reasonably interfere with the exercise of the member’s independent judgment.

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements. The following sets out the members of the audit committee and their education and experience that is relevant to the performance of his responsibilities as an audit committee member.

The current members of the Audit Committee are Claudia Tornquist, Timothy Gamble and Graeme Barker, all of whom are financially literate as defined by NI 52-110, with Messrs. Gamble and Barker acting as independent directors.

#### *Item 3: Relevant Education and Experience*

The Instrument provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

All current and proposed members of the Audit Committee have received relevant education in financial literacy and have been involved in enterprises which publicly report financial results, each of which requires a working understanding of, and ability to analyze and assess, financial information (including financial statements).

Further, each member has the requisite education and experience that has provided the member with:

- (a) an understanding of the accounting principles used by the Company to prepare the Company’s financial statements;
- (b) the ability to assess the general application of the above-noted principles in connection with estimates, accruals and reserves;
- (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company’s financial statements, or experience actively supervising individuals engaged in such activities; and
- (d) an understanding of internal controls and procedures for financial reporting.

#### *Item 4: Audit Committee Oversight*

At no time since incorporation was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

#### *Item 5: Reliance on Certain Exemptions*

Since incorporation, the Company has not relied on certain exemptions set out in NI 52-110, namely section 2.4 (*De Minimus Non-audit Services*), subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), and any exemption, in whole or in part, in Part 8 (*Exemptions*).

*Item 6: Pre-Approval Policies and Procedures*

The Audit Committee has not adopted formal policies and procedures for the engagement of non-audit services. Subject to the requirements of the NI 52-110, the engagement of non-audit services is considered by, as applicable, the Board and the Audit Committee, on a case-by-case basis.

*Item 7: External Auditor Service Fees (By Category)*

The following table sets out the aggregate fees charged to the Company by the external auditor in each of the two previous financial years of the Company for the category of fees described.

	<b>Financial year ended November 30, 2021</b>	<b>Financial year ended November 30, 2022</b>
Audit Fees <sup>(1)</sup>	\$10,000	\$13,000
Audit-Related Fees <sup>(2)</sup>	\$Nil	\$Nil
Tax Fees <sup>(3)</sup>	\$Nil	\$Nil
All Other Fees <sup>(4)</sup>	\$Nil	\$Nil
<b>Total Fees:</b>	<b>\$10,000</b>	<b>\$13,000</b>

(1) "Audit fees" include aggregate fees billed by the Company's external auditor since incorporation of the Company.

(2) "Audited related fees" include the aggregate fees billed since incorporation of the Company for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported under "Audit Fees" above. The services provided include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

(3) "Tax fees" include the aggregate fees billed since incorporation of the Company for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

(4) "All other fees" include the aggregate fees billed since incorporation of the Company for products and services provided by the Company's external auditor, other than "Audit fees", "Audit related fees" and "Tax fees" above

*Item 8: Exemption*

The Company is relying upon the exemption set out in section 6.1 NI 52-110.

**SCHEDULE "B"**  
**FORM 58-101F2**  
**CORPORATE GOVERNANCE DISCLOSURE**  
**(VENTURE ISSUERS)**

**Item 1: Board Of Directors**

The board of directors of the Company (the "**Board**") supervises the CEO and the CFO. The CEO and CFO are required to act in accordance with the scope of authority provided to them by the Board.

The Company has determined that out of the existing four members of the Board, two of the members are independent as defined by NI 52-110.

<b>Director</b>	<b>Independence</b>
Cameron White	Not independent, as he is the CEO, President and Corporate Secretary of the Company
Claudia Tornquist	Not independent, as she is the CFO of the Company
Timothy Gamble	Independent
Graeme Barker	Independent

**Item 2: Directorships**

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

<b>Director</b>	<b>Name of Reporting Issuer</b>
Claudia Tornquist	Kodiak Copper Corp. Silver One Resources Inc. American Lithium Corp.
Timothy Gamble	Network Media Group Inc.

**Item 3: Orientation and Continuing Education**

The Board does not have a formal process for the orientation of new Board members. Orientation is done on an informal basis. New Board members are provided with such information as is considered necessary to ensure that they are familiar with the Company's business and understand the responsibilities of the Board.

The Board does not have a formal program for the continuing education of its directors. The Company expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board. Directors can consult with the Company's professional advisors regarding their duties and responsibilities, as well as recent developments relevant to the Company and the Board.

#### **Item 4: Ethical Business Conduct**

The Board has not adopted a formal code of ethics. In the Board's view, the fiduciary duties placed on individual directors by corporate legislation and the common law, and the restrictions placed by corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Although the Company has not adopted a formal code of ethics, the Company promotes an ethical business culture. Directors and officers of the Company are encouraged to conduct themselves and the business of the Company with the utmost honesty and integrity. Directors are also encouraged to consult with the Company's professional advisors with respect to any issues related to ethical business conduct.

#### **Item 5: Nomination of Directors**

The identification of potential candidates for nomination as directors of the Company is primarily done by the CEO, but all directors are encouraged to participate in the identification and recruitment of new directors. Potential candidates are primarily identified through referrals by business contacts.

#### **Item 6: Compensation**

The quantity and quality of the Board compensation is reviewed on an annual basis. At this time, the Company does not believe its size and limited scope of operations requires a formal compensation committee. As a capital pool company, the Company is currently prohibited from paying directors, officers or other non-arm's length parties or to persons engaged in investor relations activities pursuant to policy 2.4 of the TSX Venture Exchange Corporate Finance Manual until it has completed a qualifying transaction and a final bulletin has been issued by the TSX Venture Exchange.

#### **Item 7: Other Board Committees**

The Board does not have any standing committees other than the Audit Committee.

#### **Item 8: Assessments**

The Board does not have any formal process for assessing the effectiveness of the Board, its committees, or individual directors. Such assessments are done on an informal basis by the CEO and the Board as a whole.

**SCHEDULE "C"**  
**REDLINE OF OPTION PLAN TO AMENDED OPTION PLAN**

(attached)

## RAILTOWN CAPITAL CORP.

### STOCK OPTION PLAN

#### 1. PURPOSE

The purpose of the Stock Option Plan (the “**Plan**”) of Railtown Capital Corp., a corporation incorporated under the *Business Corporations Act* (British Columbia) (the “**Corporation**”) is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

#### 2. ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the “**Board**”). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of ~~the~~this Plan, the Board shall have authority to construe and interpret ~~the~~this Plan and all option agreements entered into thereunder, to define the terms used in ~~the~~this Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to ~~the~~this Plan and to make all other determinations necessary or advisable for the administration of ~~the~~this Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in ~~the~~this Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

The Board shall ensure that Participants (defined below) under ~~the~~this Plan are eligible to participate under ~~the~~this Plan, and, if required by the Exchange (defined below), shall represent and confirm that the Participant is a bona fide employee, consultant or ~~management company employee~~Management Company Employee (as defined ~~in the policies of the Exchange below~~) and such Participant shall represent that he or she is a bona fide employee, consultant or ~~management company employee~~Management Company Employee.

#### 3. STOCK EXCHANGE RULES

All options granted pursuant to this Plan shall be subject to the rules and policies of any stock exchange or exchanges on which the Shares are then listed and any other regulatory body having jurisdiction (hereinafter collectively referred to as, the “**Exchange**”).

Without limiting the generality of the foregoing, during such period as the Shares are listed for trading on the Exchange:

- (a) the Exchange Hold Period (as defined ~~in the policies~~ Policy 1.1 of the TSX Venture Exchange Corporate Finance Policies ("Policy 1.1")) will apply to all options granted to Insiders ~~of the Corporation~~ (as defined in ~~the policies~~ Policy 1.1) of the Exchange Corporation and to all options granted at a discount to the Market Price (as defined in ~~the policies of the Exchange~~ Policy 1.1); and
- (b) any acceleration or removal of required Exchange vesting provisions are subject to the prior written approval of the Exchange.

#### 4. SHARES SUBJECT TO PLAN

Subject to adjustment as provided in Section 17 hereof, the Shares to be offered under ~~the~~ this Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under ~~the~~ this Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of ~~the~~ this Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

#### 5. MAINTENANCE OF SUFFICIENT CAPITAL

The Corporation shall at all times during the term of ~~the~~ this Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of ~~the~~ this Plan.

#### 6. ELIGIBILITY AND PARTICIPATION

Directors, officers, consultants, Technical Consultants and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries and which are required for the ongoing successful operation of the Corporation ("Management Company Employees"), and Eligible Charitable Organizations (as defined in Policy 4.4 of the TSX Venture Exchange Corporate Finance Policies ("Policy 4.4")) shall be eligible for selection to participate in ~~the~~ this Plan (such persons hereinafter collectively referred to as "**Participants**"). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by ~~the~~ this Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees ~~or~~ consultants of the Corporation ~~or~~ Management Company Employees or Eligible Charitable Organizations, the option agreements to which they are party must contain a representation of the Corporation and the Participant that such employee, consultant ~~or~~ Management Company Employee or Eligible Charitable Organization, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

## 7. EXERCISE PRICE

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date the ~~Corporation's shares~~ Shares commenced trading or the date the exercise price was reduced. In the case of options held by ~~insiders~~ Insiders of the Corporation ~~(as defined in the policies of the Exchange)~~, the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

## 8. NUMBER OF OPTIONED SHARES

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) ~~No single Participant may be granted options to purchase a number of Shares equalling more than~~ The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to any single Participant, in any twelve-month period, when combined with all Shares issuable to such Participant pursuant to all other Security Based Compensation Plans (as defined in Policy 4.4) of the Corporation, shall not exceed 5% of the issued common shares of the Corporation in any twelve-month period (calculated as at the date of such grant), unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) ~~Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period to any one~~ The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to any single consultant of the Corporation (or any of its subsidiaries), in any twelve-month period, when combined with all Shares issuable to such consultant pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 2% of the issued common shares of the Corporation (calculated as at the date of such grant).
- (d) ~~Options shall not be granted if the exercise thereof would result in the issuance of more than~~ The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to all Participants performing investor relations activities, in any twelve-month period, when combined with all Shares issuable to such Participants performing investor relations activities pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relation activities (calculated as at the

date of such grant). Options granted to ~~Consultants~~ Participants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3-month period after such options were granted.

- (e) The maximum aggregate number of Shares issuable upon the exercise of all options granted ~~and outstanding to~~ under this Plan to an Eligible Charitable ~~Organizations (as defined in the policies of the Exchange) must not at any time~~ Organization, in any twelve-month period, when combined with all Shares issuable to such Eligible Charitable Organization pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 1% of the issued ~~Shares~~ common shares of the Corporation, ~~as~~ (calculated immediately subsequent to ~~as at the date of such grant of any options to Eligible Charitable Organizations), and any such options must expire after the earlier of: (i) ten years from the date of grant; and (ii) ~~ninety~~ 90 days after the optionee ceases to be an Eligible Charitable ~~Organizations~~ Organization.~~
- (f) The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to Insiders of the Corporation (as a group), when combined with all Shares issuable to Insiders pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 10% of the issued common shares of the Corporation at any point in time, unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (g) The maximum aggregate number of Shares issuable upon the exercise of all options granted under this Plan to Insiders of the Corporation (as a group), in any twelve-month period, when combined with all Shares issuable to such Participant pursuant to all other Security Compensation Plans of the Corporation, shall not exceed 10% of the issued common shares of the Corporation (calculated as at the date of such grant), unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.

## 9. DURATION OF OPTION

- (a) Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange, being ~~10~~ ten years for the TSX Venture Exchange.
- (b) Subject to compliance with ~~Exchange~~-Policy 4.4, the expiry date of an option granted hereunder will be automatically extended if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options. Such automatic extension shall in no event exceed ~~10~~ ten business days following the end of such blackout period.
- (c) In the case of Options held by Insiders of the Corporation, the term of an option may be extended only if disinterested shareholder approval is first obtained.

## 10. OPTION PERIOD, CONSIDERATION AND PAYMENT

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Corporation.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque ~~or~~, bank draft or electronic funds transfer for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under ~~the~~this Plan are issued to him or them under the terms of ~~the~~this Plan.

## 11. CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE

- (a) Subject to subsection (b), if a Participant shall cease to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.

~~(b) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon Completion of the Corporation's Qualifying Transaction (as such terms are defined in the policies of the Exchange), the options granted hereunder must be exercised by the Participant within the later of 12 months after Completion of the Qualifying Transaction and 90~~

~~days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.~~

- (b) ~~(c)~~ Nothing contained in ~~the~~this Plan, nor in any option granted pursuant to ~~the~~this Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

## 12. DEATH OF PARTICIPANT

Notwithstanding Section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

## 13. CAPITAL POOL COMPANY RESTRICTIONS

As long as the Corporation is classified as a "Capital Pool Company" or a "CPC" (as defined in Policy 2.4 of the [TSX Venture Exchange Corporate Finance Policies \("Policy 2.4"\)](#)), the terms and conditions of ~~the~~this Plan will remain subject to the following specific restrictions:

- (a) Options granted by the CPC may only entitle the Participant to acquire Shares of the CPC. Options may only be granted to a director or senior officer of the CPC, and where permitted by applicable securities legislation, a ~~technical consultant~~Technical Consultant whose particular industry expertise in relation to the business of the Vendors (as defined in Policy 2.4 ~~of the Exchange~~) or the Target Company (as defined in Policy 2.4 ~~of the Exchange~~), as the case may be, is required to evaluate the proposed Qualifying Transaction (a "Technical Consultant"), or a company, all of whose securities are owned, directly and indirectly, by such a director, ~~officer or technical consultant~~senior officer, Technical Consultant or to an Eligible Charitable Organization. The total number of Shares reserved under option for issuance under this Section may not exceed 10% of the Shares of the CPC outstanding as at the date of grant of any Options.
- (b) The number of Shares reserved for issuance pursuant to Options to any individual director or senior officer may not exceed 5% of the Shares outstanding at the time of issuance. The number of Shares reserved for issuance pursuant to Options to all ~~technical consultants~~Technical Consultants may not exceed 2% of the Shares outstanding at the time of issuance. The number of Shares reserved under option for issuance to all Eligible Charitable Organizations may not exceed 1% of the Shares of the CPC outstanding as at the date of grant of any Option. Options granted by a CPC are subject to the percentage limitations set forth in Policy 4.4 of the Exchange.

(c) The CPC is prohibited from granting Options to any person providing Investor Relations Activities (as defined in ~~the policies of the Exchange~~ Policy 1.1), promotional or market-making services.

~~(d) The exercise price per Share under any Option granted by a CPC subsequent to closing its IPO (as defined in Policy 1.1 of the Exchange) cannot be less than the greater of the IPO Share (as defined in Policy 2.4 of the Exchange) price and the Discounted Market Price (as defined in the policies of the Exchange).~~

(d) ~~(e)~~ The exercise price per Share under any Option granted by a CPC prior to ~~closing~~ its IPO (as defined in Policy 1.1) cannot be less than the lowest price at which Seed Shares (as defined in Policy 2.4 ~~of the Exchange~~) were issued by the CPC.

(e) All Options granted by the CPC must be granted in compliance with Policy 4.4 and Policy 2.4.

(f) The term of an Option must expire not later than 12 months after the optionee ceases to be a director, senior officer or Technical Consultant of the CPC, or of the Resulting Issuer, as the case may be, subject to any earlier expiry date of such Option.

(g) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon completion of the Corporation's Qualifying Transaction (as such terms are defined in Policy 2.4), the options granted hereunder must be exercised by the Participant within the later of 12 months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.

#### 14. ESCROW

(a) All Options issued, and any Shares acquired on exercise of Options, prior to the Completion of the Qualifying Transaction must be deposited in escrow under the CPC Escrow Agreement (as defined in ~~Exchange~~ Policy 2.4) and will be subject to escrow until the Final QT Exchange Bulletin (as defined in ~~Exchange~~ Policy 2.4) is issued, subject to Section 14(b).

(b) All Options granted prior to the date of the Final QT Exchange Bulletin and any Shares acquired on exercise of Options that were issued prior to the date of the Final QT Exchange Bulletin will be released from escrow on the date of the Final QT Exchange Bulletin, other than Options that were granted prior to the Corporation's IPO with an exercise price that is less than the issue price of the IPO Shares and any Shares that were issued pursuant to the exercise of such Options will be released from escrow in accordance with the schedule set out in ~~Exchange~~ Policy 2.4 and the CPC Escrow Agreement.

#### 15. RIGHTS OF OPTIONEE

No person entitled to exercise any option granted under ~~the~~ this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until certificates representing such Shares shall have been issued and delivered.

## 16. PROCEEDS FROM SALE OF SHARES

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

## 17. ADJUSTMENTS

If the outstanding common shares of the Corporation are ~~increased, decreased~~ subdivided, consolidated, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through ~~re-organization~~ re-organization, merger, amalgamation, arrangement, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under ~~the~~ this Plan on any such adjustment. Adjustments under this Section, other than in connection with a subdivision or consolidation, are subject to prior approval of the Exchange.

## 18. TRANSFERABILITY

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of ~~the~~ this Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

## 19. AMENDMENT AND TERMINATION OF PLAN

Subject to the policies, rules and regulations of any lawful authority having jurisdiction (including any exchange on which the Shares are listed for trading), the Board may at any time, without further action by the shareholders, amend ~~the~~ this Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate ~~the~~ this Plan. The Board may not, however, without the consent of the option holder, alter or impair any of the rights or obligations under any option theretofore granted.

## 20. NECESSARY APPROVALS

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with ~~the~~ this Plan is subject to any approvals which may be required from shareholders of the Corporation and any regulatory authority or ~~stock exchange~~ Exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for

whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant.

## **21. WITHHOLDING TAXES**

The Corporation's obligation to deliver Shares issuable on the exercise of an option shall be subject to a Participant's satisfaction of all applicable income, employment and non-resident withholding tax obligations. Without limiting the generality of the foregoing, if the Corporation determines in its sole discretion that under the requirements of applicable taxation laws or regulations of any governmental authority whatsoever it is obliged to withhold for remittance to a taxing authority any amount upon exercise of an option, the Corporation may take any steps it considers necessary or appropriate in the circumstances to withhold in connection with any option or other benefit under ~~the~~this Plan including, without limiting the generality of the foregoing:

- (a) requiring the Participant exercising the option to pay the Corporation, in the same manner as the exercise price for the Shares issuable on exercise of an option, such amount as the Corporation is obliged to remit to such taxing authority in respect of the exercise of the option, with any such additional payment, in any event, being due no later than the date as of which any amount with respect to the option exercised first becomes included in the gross income of the Participant for tax purposes; or
- (b) issuing the Shares issuable on the exercise of an option to an agent on behalf of the Participant and directing the agent to sell a sufficient number of such Shares on behalf of the Participant to satisfy the amount of any such withholding obligation, with the agent paying the proceeds of any such sale to the Corporation for this purpose;

to the extent permitted by law, deducting the amount of any such withholding obligation from any payment of any kind otherwise due to the Participant.

## **22. EFFECTIVE DATE OF PLAN**

The Plan has been adopted by the Board of the Corporation subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, ~~the~~this Plan shall become effective upon such approvals being obtained.

## **23. INTERPRETATION**

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia.