

# **EXGEN RESOURCES INC.**

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

**TO BE HELD ON MONDAY, NOVEMBER 5, 2018**

### **NOTICE OF MEETING AND MANAGEMENT PROXY AND INFORMATION CIRCULAR**

*THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF EXGEN RESOURCES INC. OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS OF EXGEN RESOURCES INC. TO BE HELD ON MONDAY, NOVEMBER 5, 2018.*

#### **TO BE HELD AT:**

**The Offices of DLA Piper (Canada) LLP  
10<sup>th</sup> Floor, Livingston Place, West Tower  
250 - 2<sup>nd</sup> Street SW  
Calgary, Alberta  
T2P 0C1**

**At 11:00 a.m.**

Dated: September 25, 2018

**EXGEN RESOURCES INC.**

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

**NOTICE IS HEREBY GIVEN THAT AN ANNUAL GENERAL AND SPECIAL MEETING** (the “**Meeting**”) of holders of common shares (“**Common Shares**”) of ExGen Resources Inc. (the “**Corporation**”) will be held at the Offices of DLA Piper (Canada) LLP, 10th Floor, Livingston Place, West Tower, 250 2nd Street S.W., Calgary, AB, on Monday, November 5, 2018 at 11:00 a.m. for the following purposes:

1. to receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2017, and the report of the auditor thereon, and the unaudited financial statements of the Corporation for the interim period ended June 30, 2018;
2. to fix the number of directors of the Corporation to be elected at the Meeting at four (4);
3. to elect the Board of Directors of the Corporation for the ensuing year;
4. to appoint the auditor of the Corporation for the ensuing year and to authorize the Board of Directors to fix the auditor’s remuneration;
5. to consider, and if thought fit, approve the ordinary resolution, as more particularly set forth in the accompanying Management Information Circular prepared for the purpose of the Meeting, relating to the re-approval of the stock option plan of the Corporation;
6. to consider, and if thought fit, approve the special resolution, as more particularly set forth in the accompanying Management Information Circular, approving the continuance of the Corporation from the *Business Corporations Act* (Alberta) to the *Business Corporations Act* (British Columbia); and
7. to transact such other business as may be properly brought before the meeting or any adjournment thereof.

**DATED** this 25<sup>th</sup> day of September, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**

*signed “Jason Riley”*

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**Jason Riley**

**President, Chief Executive Officer and Director**

**NOTE:**

It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend the Meeting and would like your shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. All proxies, to be valid, must be received by Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

**EXGEN RESOURCES INC.**  
**MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR (“MANAGEMENT INFORMATION CIRCULAR”) IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT, OR ITS AGENTS, ADVISORS OR REPRESENTATIVE, OF EXGEN RESOURCES INC. (THE “CORPORATION”)** of proxies from the holders of common shares (the “**Common Shares**”) for the annual general and special meeting of the shareholders of the Corporation (the “**Meeting**”) to be held on Monday, November 5, 2018 at 11:00 a.m. at the Offices of DLA Piper (Canada) LLP, 10th Floor, Livingston Place, West Tower, 250 2nd Street S.W., Calgary, AB, or at any adjournment thereof for the purposes set out in the accompanying notice of meeting (“**Notice of Meeting**”).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial owners of the Common Shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

**APPOINTMENT AND REVOCATION OF PROXIES**

**The persons named (the “Management Designees”) in the enclosed instrument of proxy (“Instrument of Proxy”) have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting.** Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his shares.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and delivered to the Corporation's transfer agent, Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at least forty-eight (48) hours, excluding Saturdays, Sundays and holidays, before the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or at

any adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his shares.

### **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 Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the shareholder's name. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

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

This Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting have been sent directly by the Corporation, rather than through an intermediary, to non-objecting beneficial owners under National Instrument 54-101. These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Corporation 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 Corporation (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 OF PROXIES**

Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

**The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.**

### **QUORUM**

The by-laws of the Corporation provide that a quorum of shareholders is present at a meeting of shareholders of the Corporation if at least two holders of not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the Meeting are present in person or by proxy.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at the effective date of this Information Circular (the “**Effective Date**”), which is September 25, 2018, 344,730,080 Common Shares are issued and outstanding as fully paid and non-assessable. No other shares of any other class are issued or outstanding. The Common Shares are the only shares entitled to be voted at the Meeting and holders of Common Shares are entitled to one vote for each Common Share held.

Holders of Common Shares of record at the close of business on September 25, 2018 (the “**Record Date**”) are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than ten (10) days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The compensation program of the Corporation is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Corporation's corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Corporation. The compensation program is designed to reward management performance by aligning a component of the compensation with the Corporation's business performance and share value. The philosophy of the Corporation is to pay the management a total compensation amount that is competitive with other Canadian junior resource companies and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Corporation on both an annual and long-term basis.

The compensation program provides incentives to its management and directors to achieve long term objectives through grants of stock options under the Corporation's stock option plan. Increasing the value of the Corporation's Common Shares increases the value of the stock options. This incentive closely links the interests of the Named Executive Officers and directors to shareholders of the Corporation.

The Board of Directors is satisfied that there were not any identified risks arising from the Corporation's compensation plans or policies that would have had any negative or material impact on the Corporation. The Corporation does not have any policy in place to permit an executive officer or director to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

### **Option-based Awards**

The Board of Directors determined that it was not necessary to grant any stock options to management during the financial year ended December 31, 2017. The Corporation took into account the number of outstanding options and this issuance of the Bonus Shares on September 18, 2017 in determining not to grant stock options in 2017. See "*Narrative Discussion*".

When granted, the allocation of the number of options granted among the directors and Named Executive Officers (as defined below) of the Corporation is determined by the entire Board of Directors. See "*Incentive Plan Awards*" below and "*DIRECTOR COMPENSATION - Incentive Plan Awards*" below.

### **Compensation Governance**

The following are the members of the Corporate Governance and Compensation Committee, as at the date hereof:

Jason Riley	Not Independent
Gerald L. Roe	Independent
Dennis Thomas	Independent

All members of the Corporate Governance and Compensation Committee are knowledgeable about the Corporation's compensation programs and possess an understanding of compensation theory and practice,

personnel management and development, succession planning and executive development. In addition, all members are “financially literate” within the meaning of National Instrument 52-110 and have accounting or related financial management experience or expertise.

The responsibilities of the Corporate Governance and Compensation Committee in respect of compensation matters include reviewing and recommending to the Board of Directors the compensation policies and guidelines for supervisory management and personnel, corporate benefits, bonuses and other incentives, reviewing and approving corporate goals and objectives relevant to Chief Executive Officer compensation; non-CEO officer and director compensation; the review of executive compensation disclosure; succession plans for officers and for key employees; and material changes and trends in human resources policy, procedure, compensation and benefits. The responsibilities of the Corporate Governance and Compensation Committee in respect of corporate governance matters include addressing all governance issues identified by securities regulators and any additional issues as they arise by virtue of the operations and growth of the Corporation as being emerging progressive issues of corporate governance.

The Corporate Governance and Compensation Committee has unrestricted access to the Corporation’s personnel and documents and is provided with the resources necessary, including, as required, the engagement and compensation of outside advisors, to carry out its responsibilities.

### **Summary Compensation Table**

The following table sets forth all annual and long-term compensation for the three most recently completed financial years for services in all capacities to the Corporation and its subsidiaries, if any, in respect of individual(s) who were acting as, or were acting in a capacity similar to, a chief executive officer or chief financial officer and the three most highly compensated executive officers whose total compensation exceeded \$150,000 per annum (the “**Named Executive Officers**”).

SUMMARY COMPENSATION TABLE									
Name and Principal Position	Year Ended December 31	Consulting Fees/Salary (\$)	Share-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$) <sup>(3)</sup>
					Annual Incentive Plans	Long-Term Incentive Plans			
Jason Riley President and Chief Executive Officer <sup>(4)</sup>	2017	Nil	200,000 <sup>(6)</sup>	Nil	Nil	Nil	Nil	Nil	200,000
	2016	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jason Tong Chief Financial Officer <sup>(5)</sup>	2017	18,000	10,000 <sup>(6)</sup>	Nil	Nil	Nil	Nil	Nil	28,000
	2016	18,000	Nil	Nil	Nil	Nil	Nil	Nil	18,000
	2015	12,000	Nil	Nil	Nil	Nil	Nil	Nil	12,000

#### **Notes:**

- (1) “**Share-Based Award**” means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) “**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. The “grant date fair value” has been determined by using the Black-Sholes option pricing model. See “*Narrative Discussion*” below.
- (3) Mr. Riley did not receive any additional compensation for serving as a director of the Corporation.

- (4) Mr. Riley was appointed as Executive Vice-President of the Corporation on September 11, 2013. Mr. Riley replaced Mr. Elmer B. Stewart as the President and Chief Executive Officer of the Corporation on May 5, 2014.
- (5) Mr. Tong was appointed as Chief Financial Officer of the Corporation on July 1, 2015.
- (6) This amount relates to the Bonus Shares that were issued by the Corporation on September 18, 2017. See “*Narrative Discussion*”.

### **Narrative Discussion**

On September 18, 2017, the Corporation, upon the recommendation of the Corporate Governance and Compensation Committee, issued, at a price of \$0.02 per share, an aggregate of 16,600,000 Common Shares (“**Bonus Shares**”) to certain directors, officers and former directors of the Corporation, or companies owned or controlled by such persons, for past services. The Bonus Shares are subject to a voluntary escrow agreement, whereby the holders of the Bonus Shares cannot trade such shares for one year from the date of issuance.

Calculating the value of stock options using the Black-Scholes option pricing model is very different from a simple “in-the-money” value calculation. In fact, stock options that are well out-of-the-money can still have a significant “grant date fair value” based on a Black-Scholes option pricing model, especially where, as in the case of the Corporation, the price of the share underlying the option is highly volatile. Accordingly, caution must be exercised in comparing grant date fair value amounts with cash compensation or an in-the-money option value calculation.

### **Incentive Plan Awards**

#### **Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth details of all awards outstanding for each Named Executive Officer of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year.

Name and Title	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
<b>Jason Riley</b> President and Chief Executive Officer	Nil	N/A	N/A	N/A	N/A	N/A	N/A
<b>Jason Tong</b> Chief Financial Officer	Nil	N/A	N/A	N/A	N/A	N/A	N/A

**Note:**

- (1) Unexercised “in-the-money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

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

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for each Named Executive Officer.

Name and Title	Option-Based Awards - Value vested during the year (\$) <sup>(1)</sup>	Share-Based Awards - Value vested during the year (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
<b>Jason Riley</b> President and Chief Executive Officer	Nil	200,000	N/A
<b>Jason Tong</b> Chief Financial Officer	Nil	10,000	N/A

**Note:**

- (1) Based on the difference between the market price of the Common Shares at the vesting date and the exercise price.  
(2) This amount relates to the Bonus Shares that were issued by the Corporation on September 18, 2017. See “*Narrative Discussion*”.

**Narrative Discussion**

The Corporation has a stock option plan (the “**Plan**”) previously approved by the shareholders of the Corporation on March 10, 2017. The significant terms of the Plan are disclosed in this Management Information Circular under “*PARTICULARS OF MATTERS TO BE ACTED UPON - Re-approval of Stock Option Plan*”.

**Pension Plan Benefits**

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

**Termination and Change of Control Benefits**

The Corporation is not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation, its subsidiaries or affiliates or a change in a Named Executive Officer’s responsibilities.

**DIRECTOR COMPENSATION**

During the year ended December 31, 2017, the Corporation had six (6) individuals acting as directors, one (1) of which was also a Named Executive Officer during such year (Jason Riley). For a description of the compensation paid to the Named Executive Officer of the Corporation who also acts as a director of the Corporation, see “*EXECUTIVE COMPENSATION*”.

**Director Compensation Table**

The following table sets forth all compensation provided to directors who are not also Named Executive Officers (“**Outside Directors**”) of the Corporation for the most recently completed financial year.

Name	Fees Earned (\$)	Share-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
<b>Gerald L. Roe</b>	Nil	12,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	12,000
<b>Dennis Thomas</b>	Nil	10,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	10,000

Name	Fees Earned (\$)	Share-Based Awards (\$) <sup>(1)</sup>	Option-Based Awards (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
Mark Swartout	Nil	20,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	20,000
Arlen Grove	Nil	10,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	10,000
David Yancie <sup>(3)</sup>	Nil	60,000 <sup>(4)</sup>	Nil	Nil	Nil	Nil	60,000

**Notes:**

- (1) **“Share-Based Award”** means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units and stock.
- (2) **“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. The “grant date fair value” has been determined by using the Black-Sholes option pricing model.
- (3) Mr. Yancie resigned as a director of the Corporation on July 31, 2017.
- (4) This amount relates to the Bonus Shares that were issued by the Corporation on September 18, 2017. See “Narrative Discussion” in “Executive Compensation”.

**Incentive Plan Awards****Outstanding Share-Based Awards and Option-Based Awards**

The following table sets forth details of all awards outstanding for each Outside Director of the Corporation as of the most recent financial year end, including awards granted before the most recently completed financial year

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Option <sup>(1)</sup> (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of Share-Based Awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Gerald L. Roe	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Dennis Thomas	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Mark Swartout	Nil	N/A	N/A	N/A	N/A	N/A	N/A
Arlen Grove	Nil	N/A	N/A	N/A	N/A	N/A	N/A
David Yancie	Nil	N/A	N/A	N/A	N/A	N/A	N/A

**Note:**

- (1) Unexercised “in-the-money” options refer to the options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the option.

None of the awards disclosed in the table above have been transferred at other than fair market value.

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

The following table sets forth the value of option-based awards and share-based awards which vested or were earned during the most recently completed financial year for Outside Directors of the Corporation.

Name	Option-Based Awards - Value vested during the year (\$) <sup>(1)</sup>	Share-Based Awards - Value vested during the year (\$) <sup>(2)</sup>	Non-Equity Incentive Plan Compensation - Value earned during the year (\$)
Gerald L. Roe	Nil	12,000	N/A
Dennis Thomas	Nil	10,000	N/A
Mark Swartout	Nil	20,000	N/A
Arlen Grove	Nil	10,000	N/A
David Yancie	Nil	60,000	N/A

**Note:**

- (1) Based on the difference between the market price of the Common Shares at the vesting date and the exercise price.
- (2) This amount relates to the Bonus Shares that were issued by the Corporation on September 18, 2017. See “Narrative Discussion” in “Executive Compensation”.

**Narrative Discussion**

The significant terms of the Plan are disclosed in this Management Information Circular under “PARTICULARS OF MATTERS TO BE ACTED UPON - Re-approval of Stock Option Plan”.

**Other Compensation**

Other than as set forth herein, the Corporation did not pay any other compensation to executive officers or directors (including personal benefits and securities or properties paid or distributed which compensation was not offered on the same terms to all full time employees) during the last completed financial year other than benefits and perquisites which did not amount to \$10,000 or greater per individual.

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

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation’s most recently completed financial year.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding outstanding securities reflected in Column 1) <sup>(1)</sup>
Equity compensation plans approved by securityholders	Nil	N/A	34,473,008 Common Shares
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	Nil	N/A	34,473,008 Common Shares

**Note:**

- (1) The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the Corporation’s issued and outstanding shares.

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

No director, executive officer, employee or former director, executive officer or employee of the Corporation nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation.

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

Other than as set forth herein, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

## **MANAGEMENT CONTRACTS**

Other than as set forth herein, during the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

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

Except as otherwise set out herein, no director or executive officer of the Corporation or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor 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 matters to be acted upon at the Meeting.

## **AUDIT COMMITTEE**

### **Audit Committee Terms of Reference**

The text of the Corporation's Audit Committee charter is set out under the heading "Audit Committee Terms of Reference" in the Corporation's Management Information Circular dated April 21, 2012 and filed on SEDAR at [www.sedar.com](http://www.sedar.com) on May 3, 2012, which is incorporated by reference herein.

### **Audit Committee Composition**

The following are the members of the Audit Committee, as at the date hereof:

Gerald L. Roe	Independent <sup>(1)(2)</sup>	Financially literate <sup>(1)</sup>
Jason Riley	Not Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Dennis Thomas	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

**Notes:**

- (1) As defined by National Instrument 52-110 ("NI 52-110").
- (2) Chairman of the Audit Committee.

### **Relevant Education and Experience**

Gerald L. Roe received a Bachelor of Science in Mechanical Engineering in 1965. Mr. Roe has been a petroleum engineer since 1966. Mr. Roe has acted as a director and senior officer for publicly traded companies on the Toronto Stock Exchange and the TSX Venture Exchange (“**TSX Venture**”) since 1983.

Jason Riley received a Bachelor of Commerce from the University of British Columbia in 2001. Mr. Riley has acted as a director and officer of multiple private companies since 2009. Mr. Riley completed the Simon Fraser University Course, Public Companies: Financing, Governance, and Compliance in 2012.

Dennis Thomas graduated from the Camborne School of Metalliferous Mining, Cornwall, UK, in 1969. Mr. Thomas has acted as a director and senior officer for numerous publicly traded companies in Canada and the UK.

All of the members of the Audit Committee have been either directly or indirectly involved in the preparation of the financial statements, filing of quarterly and annual financial statements, dealing with auditors, or as a member of the Audit Committee. All members of the Audit Committee have the ability to read, analyze and understand the complexities surrounding the issuance of financial statements.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation’s most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (securities regulatory authority exemption).

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

The Audit Committee had adopted specific policies and procedures for the engagement of non-audit services as described above under the heading “*Audit Committee Terms of Reference - External Auditors*”.

### **External Auditor Service Fees**

The aggregate fees billed by the Corporation’s external auditors in each of the last two fiscal years for audit and other fees are as follows:

<b>Financial Year Ending December 31</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
2017	\$21,000	Nil	\$5,000	Nil
2016	\$18,000	Nil	\$5,000	Nil

### **Exemption**

The Corporation is relying upon the exemption in section 6.1 of NI 52-110, the exemption for Venture issuers in relation to the requirement that every audit committee member be independent.

## **CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day to day management of the Corporation. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its shareholders and contribute to effective and efficient decision making. To achieve this goal, the Corporation has implemented an Audit Committee Terms of Reference, a Whistle Blower Policy, a Corporate Governance and Compensation Committee Terms of Reference, an Insider Trading and Reporting Policy, and a Disclosure and Confidentiality Policy.

Pursuant to National Instrument 58-101 Disclosure of Corporate Governance Practices (“**NI 58-101**”), the Corporation is required to disclose its corporate governance practices as summarized below.

### **Board of Directors**

The Board of Directors is currently comprised of five members. All of these individuals are nominated for re-election at the Meeting, other than Mr. Gerald L. Roe, who is not standing for re-election. Mr. Gerald L. Roe, Mr. Dennis Thomas, Mr. Mark Swartout and Mr. Arlen Grove are the current independent directors of the Corporation.

Mr. Jason Riley, the Chief Executive Officer and President of the Corporation, is a member of management and, as a result, not an independent director.

NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director’s independent judgement. As disclosed above, the Board of Directors is comprised of a majority of independent directors. The independent judgment of the Board of Directors in carrying out its responsibilities is the responsibility of all directors. The Board of Directors of the Corporation facilitates independent supervision of management through meetings of the Board of Directors and through frequent informal discussions among independent members of the Board of Directors and management. In addition, the Board of Directors have free access to the Corporation’s external auditors, legal counsel and to any of the Corporation’s officers.

### **Directorships**

The following directors of the Corporation are presently directors of other reporting issuers:

<u>Name</u>	<u>Name of Reporting Issuer</u>	<u>Name of Exchange or Market (if applicable)</u>
Gerald L. Roe	Jadela Oil Corp.	TSX Venture
Dennis Thomas	Phoenix Global Mining Ltd.	AIM London
Jason Riley	Phoenix Global Mining Ltd.	AIM London
	TroyMet Exploration Corp.	TSX Venture

### **Orientation and Continuing Education**

Each new director is given an outline of the nature of the Corporation’s business, its corporate strategy and current issues with the Corporation. New directors are also expected to meet with management of the Corporation to discuss and better understand the Corporation’s business and are advised by counsel to the

Corporation of their legal obligations as directors of the Corporation. New directors are also given copies of the Corporation's policies.

The introduction and education process will be reviewed on an annual basis by the Board of Directors and will be revised as necessary.

### **Ethical Business Conduct**

The Board of Directors has considered adopting a written code of business conduct and ethics and has decided that it is not necessary to adopt such a code at the present time.

The Board of Directors has established a Whistle Blower Policy, which establishes the complaint procedure for concerns about any aspect of the Corporation's activities and operations. The Corporation has also adopted an Insider Trading and Reporting Policy which establishes procedures for when insiders may trade securities of the Corporation. The Corporation has also adopted a Disclosure and Confidentiality Policy which establishes procedures for ensuring adequate disclosure and compliance with disclosure requirements as well as procedures for maintaining confidentiality.

The Board of Directors has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board of Directors in which the director has an interest have been sufficient to ensure that the Board of Directors operates independently of management and in the best interests of the Corporation.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as the directors of the Corporation also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the *Business Corporations Act* (Alberta), as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

### **Nomination of Directors**

The Board of Directors have not appointed a nominating committee. The Board of Directors determine new nominees to the Board of Directors although no formal process has been adopted. The nominees are generally the result of recruitment efforts by the Board of Directors members including both formal and informal discussions among the Board of Directors members and officers.

### **Compensation**

The Corporation has a Corporate Governance and Compensation Committee. See "*EXECUTIVE COMPENSATION - Compensation Governance*" above.

### **Other Board of Directors Committees**

The Corporation has no standing Committees at this time other than the Audit Committee and the Corporate Governance and Compensation Committee as discussed above.

### **Assessments**

The Board of Directors have not implemented a formal process for assessing its effectiveness or the effectiveness of its individual members or its committees. As a result of the Corporation's size, its stage of

development and the limited number of individuals on the Board of Directors, the Board of Directors consider a formal assessment process to be unnecessary at this time. The Board of Directors plans to continue evaluating its own effectiveness on an ad hoc basis.

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

To the knowledge of the Board of Directors of the Corporation, the only matters to be brought before the meeting are those matters set forth in the accompanying Notice of Meeting.

#### **1. Financial Statements and Auditors' Report**

The Board of Directors of the Corporation has approved all of the information in the audited financial statements of the Corporation for the year ended December 31, 2017 and the report of the auditors thereon, and the unaudited financial statements of the Corporation for the interim period ended June 30, 2018, copies of which are delivered herewith.

#### **2. Fix Number of Directors to be Elected at the Meeting**

Shareholders of the Corporation will be asked to consider and, if thought appropriate, to approve and adopt an ordinary resolution fixing the number of directors to be elected at the Meeting. In order to be effective, an ordinary resolution requires the approval of a majority of the votes cast by shareholders who vote in respect of the resolution.

At the Meeting, it will be proposed that four (4) directors be elected to hold office until the next annual general meeting or until their successors are elected or appointed. **Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at four (4).**

#### **3. Election of Directors**

The Corporation currently has five (5) directors and four (4) of these directors are being nominated for re-election at the Meeting. Mr. Gerald L. Roe is not standing for re-election at the Meeting. The following table sets forth the name of each of the persons proposed to be nominated for election as a director, all positions and offices in the Corporation presently held by such nominee, the nominee's municipality of residence, principal occupation at the present and during the preceding five years, the period during which the nominee has served as a director, and the number and percentage of Common Shares of the Corporation that the nominee has advised are beneficially owned by the nominee, directly or indirectly, or over which control or direction is exercised, as of the Effective Date.

**Unless otherwise directed, it is the intention of the Management Designees, if named as proxy, to vote for the election of the persons named in the following table to the Board of Directors.** Management does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, **proxies held by Management Designees will be voted for another nominee in their discretion unless the shareholder has specified in his form of proxy that his Common Shares are to be withheld from voting in the election of directors.** Each director elected will hold office until the next annual general meeting of shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the Business Corporations Act to which the Corporation is subject.

Name, Municipality of Residence, Office and Date Became a Director	Present Occupation and Positions Held During the Last Five Years	Number and Percentage of Common Shares Held or Controlled as at the Date of this Management Information Circular <sup>(1)</sup>
<b>Jason Riley</b> <sup>(2)(3)</sup> Vancouver, BC President, Chief Executive Officer Director since September 11, 2013	President and Chief Executive Officer of the Corporation since May 5, 2014; Executive Vice-President of the Corporation since September 11, 2013. Former President of Konnex Resources Inc., a private mining company, from January 2011 until Konnex was purchased by the Corporation on August 30, 2013. Founder and CEO of EVOS Media Inc.	27,800,000 <sup>(4)</sup> (8.06%)
<b>Dennis Thomas</b> <sup>(2)(3)</sup> Yeovil, United Kingdom Director since September 11, 2013	Director of Konnex Resources Inc. from January 2011 until Konnex was purchased by the Corporation on August 30, 2013. Chief Executive Officer of Phoenix Global Mining Ltd since November 2013	3,780,000 (1.10%)
<b>Mark Swartout</b> Lethbridge, AB Director since April 15, 2015	Businessman. Principal of Astro Insurance 1000 Inc. Mr. Swartout has been involved in the junior resource sector as an active investor in numerous private and public junior resource companies.	4,594,175 (1.33%)
<b>Arlen Grove</b> Helotes, TX Director Since September 17, 2015	President and owner of Helotes Petroleum LLC, a US based firm specializing in international and domestic prospect evaluation and project management since 2013. From April 2003 until October 2013, Vice President Exploration of Prime Natural Resources, a wholly owned subsidiary of Elliot Associates, a private hedge fund.	500,000 (0.15%)

**Notes:**

- (1) The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective directors.
- (2) Members of the Corporation's Audit Committee.
- (3) Members of the Corporation's Corporate Governance and Compensation Committee.
- (4) Includes 12,000,000 Common Shares held by EVOS Media Inc., a company wholly owned or controlled by Jason Riley.

*Cease Trade Orders*

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

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

(b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

*Bankruptcies*

No proposed director, within 10 years before the date of this Management Information Circular, has been a director or executive officer of any company that, while the proposed director was acting in that capacity, or within a year of the proposed director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any

proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

#### *Personal Bankruptcies*

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

#### *Penalties and Sanctions*

No proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director,

other than a settlement agreement entered into before December 31, 2000 that would likely not be important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **4. Appointment of Auditor**

The shareholders of the Corporation will be asked to vote for the appointment of Wolrige Mahon LLP as auditor of the Corporation. **Unless directed otherwise by a proxy holder, or such authority is withheld, the Management Designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution appointing Wolrige Mahon LLP, as auditor of the Corporation,** to hold office until the close of the next annual general meeting of shareholders or until Wolrige Mahon LLP is removed from office or resigns as provided by the Corporation's by-laws, and the Management Designees also intend to vote the Common Shares represented by any such proxy in favour of a resolution authorizing the Board of Directors to fix the compensation of the auditor. Wolrige Mahon LLP has been the auditor of the Corporation since February 4, 2016.

#### **5. Re-Approval of Stock Option Plan**

The Corporation has a stock option plan (the "**Plan**") previously approved by the shareholders of the Corporation on March 10, 2017. A copy of the Plan is attached as Exhibit 1 to the Corporation's Management Information Circular dated May 24, 2011 and filed on SEDAR at [www.sedar.com](http://www.sedar.com) on June 14, 2011. The Plan is incorporated herein by reference.

The Plan shall be administered by the Board of Directors of the Corporation, or if appointed, by a special committee of directors appointed from time to time by the Board of Directors (the "**Board**"). The aggregate number of Common Shares which may be reserved for issuance under the Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares. The number of Common Shares subject to an option to a participant shall be determined by the Board, but no participant shall be granted an option which exceeds the maximum number of shares permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Common Shares covered by each option shall be determined by the Board, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The maximum length any option shall be ten (10) years from the date the option is granted, provided that participant's options expire ninety (90)

days after a participant ceases to act for the Corporation, subject to extension at the discretion of the Board, except upon the death of a participant, in which case the participant's estate shall have twelve (12) months in which to exercise the outstanding options. The Plan includes a provision that should an option expiration date fall within a blackout period or immediately following a blackout period, the expiration date will automatically be extended for ten (10) business days following the end of the blackout period. The Board of Directors have the absolute discretion to amend or terminate the Plan.

Policy 4.4 of the TSX Venture requires that rolling stock option plans must receive shareholder approval yearly, at an issuer's annual general meeting. In accordance with Policy 4.4, shareholders will be asked to consider and if thought fit, approve an ordinary resolution re-approving, adopting and ratifying the Plan as the Corporation's stock option plan.

The text of the ordinary resolution to be considered at the Meeting will be substantially as follows:

**“Be it resolved as an ordinary resolution of the Corporation that:**

- 1. the stock option plan of the Corporation be approved substantially in the form attached as Exhibit 1 to the 2011 Management Information Circular of the Corporation dated May 24, 2011 (the “Plan”) and the Plan be and is hereby ratified, approved and adopted as the stock option plan of the Corporation;**
- 2. the form of the Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation;**
- 3. the issued and outstanding stock options previously granted shall be continued under and governed by the Plan;**
- 4. the shareholders of the Corporation hereby expressly authorize the board of directors to revoke this resolution before it is acted upon without requiring further approval of the shareholders in that regard; and**
- 5. any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”**

**Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the resolution re-approving the Plan.** In order to be effective, an ordinary resolution requires approval of a majority of the votes cast by shareholders who vote in respect to the resolution.

## **6. Approval of Continuance**

### ***Introduction***

At the shareholders meeting held on March 10, 2017, the shareholders approved a special resolution set forth below (the “**Continuance Resolution**”), authorizing the Corporation to make application for a Certificate of Continuance under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) which effects the continuance of the Corporation from the *Business Corporations Act* (Alberta) (the “**ABCA**”) to the BCBCA (the “**Continuance**”). Since the Corporation has not implemented the Continuance prior to the Effective Date, Management of the Corporation will again seek approval of the shareholders at the Meeting for the Continuance. **In the event that Corporation has completed the**

**Continuance prior to the Meeting, the Corporation will not proceed with the re-approval of the Continuance at the Meeting.**

The Corporation believes it is in the best interests of the Corporation to effect the Continuance in order to position the Corporation to utilize certain provisions of the BCBCA which are not available under the ABCA.

The Continuance, if approved, will change the legal domicile of the Corporation and will affect certain of the rights of shareholders as they currently exist under the ABCA. Accordingly, shareholders should consult their own independent legal advisors regarding implications of the Continuance which may be of particular importance to them. The resolution below provides that the Board of Directors may determine not to implement the Continuance after the Meeting and after receipt of necessary shareholder and regulatory approvals, but prior to the issuance of a Certificate of Discontinuance under the ABCA or a Certificate of Continuation under the BCBCA, without further action on the part of the shareholders. The Continuance is subject to the approval and acceptance of the TSX Venture.

***Procedure for the Continuance***

In order to effect the Continuance, the following steps must be taken:

- (a) the shareholders of the Corporation must approve the Continuance Resolution at the Meeting, authorizing the Corporation to, among other things, file the continuation application with the registrar appointed under the BCBCA (the “**BC Registrar**”);
- (b) the Registrar of Corporations under the ABCA (the “**AB Registrar**”) must approve the proposed Continuance under the BCBCA, upon being satisfied that the Continuance will not adversely affect creditors or shareholders of the Corporation;
- (c) the Corporation must apply to the BC Registrar for a Certificate of Continuation under the BCBCA; and
- (d) the Corporation must file a notice of discontinuance with the AB Registrar, who will then issue a Certificate of Discontinuance.

***Effect of the Continuance***

Upon issuance of a Certificate of Continuation for the Corporation under the BCBCA, the Corporation will cease to be a corporation governed by the ABCA and will be governed by the BCBCA. The Continuance does not create a new legal entity and will not prejudice or affect the continuity of the Corporation. The Continuance will not result in any change in the business of the Corporation. Upon the completion of the Continuance, there is no change in: (i) the ownership of corporate property; (ii) liability for obligations; (iii) the existence of a cause of action, claim or liability to prosecution; (iv) enforcement against the Corporation of any civil, criminal or administrative proceedings pending; and (v) the enforceability of any conviction or judgment against or in favour of the Corporation. Furthermore, any Common Shares issued before the Continuance are deemed to have been issued in compliance with the BCBCA and articles of continuance. The Continuance does not deprive a holder of Common Shares of any right or privilege, or relieve a holder of Common Shares of any liability in respect of such Common Shares.

***Certain Corporate Differences Between the ABCA and the BCBCA***

In general terms, the BCBCA provides to shareholders of the Corporation substantively the same rights as are available to shareholders under the ABCA, including the right of dissent and appraisal and the right to bring derivative actions and oppression actions.

The following is a summary comparison of certain provisions of the BCBCA and the ABCA and differences in those provisions that pertain to the rights of the shareholders of the Corporation. This summary is not exhaustive and shareholders are advised to review the full text of the BCBCA and consult their legal advisors regarding the implications of the Continuance.

### Constating Documents

As a British Columbia corporation, a corporation's charter documents consist of notice of articles and articles and any amendments thereto to date. Upon the completion of the Continuance, the Corporation will cease to be governed by the ABCA and will thereafter be deemed to have been formed under the BCBCA. As part of the Continuance, shareholders of the Corporation will be asked to approve the adoption of articles which comply with the requirements of the BCBCA, copies of which are available for review by shareholders at the office of the solicitors of the Corporation, DLA Piper (Canada) LLP, Livingston Place, 1000 - 250 2nd Street SW, Calgary, AB T2P 0C1, during normal business hours and at the Meeting. In addition, a copy of such articles will be mailed, free of charge, to any shareholder who requests a copy, in writing, from the such solicitors of the Corporation at the above address.

### Directors

The BCBCA provides that a reporting corporation must have a minimum of three directors but there is no residency requirement for directors. The ABCA requires that at least 25% of the directors of a corporation be resident Canadians.

Under the ABCA, directors may be removed by ordinary resolution whereas under the BCBCA, directors may be removed by a special resolution or, if the articles of a corporation otherwise provide that a director may be removed by a resolution of the shareholders entitled to vote at general meetings passed by less than a special majority or may be removed by some other method, by the resolution or method specified.

### Requisite Approvals

Under the BCBCA, a corporation can establish in its articles the levels for various shareholder approvals, other than those levels that are prescribed by the BCBCA. The percentage of votes required for a special resolution can be specified in the articles and may be no less than two-thirds and no more than three-quarters of the votes cast.

The ABCA does not provide flexibility with respect to the level of shareholder approval required for ordinary resolutions and special resolutions. Under the ABCA, an ordinary resolution must be passed by no less than a majority of the votes cast by shareholders entitled to vote with respect to the resolution and a special resolution must be passed by not less than two-thirds of the votes cast by the shareholders entitled to vote with respect to the resolution.

### Alterations of Share Structure and Change of Name

Under the BCBCA, if specified in the articles, the Board of Directors is provided with the flexibility to approve the alteration of the share structure of the Corporation to effect, among other things, the creation of classes of shares, a consolidation of its issued shares or an increase or decrease in the authorized share capital of the Corporation (collectively "**Share Structure Alterations**"). **Under the ABCA, in order to effect Share Structure Alterations, a special resolution of the shareholders of the Corporation is required.**

Similarly, under the BCBCA, the Board of Directors of the Corporation may resolve to change the name of the Corporation. **Under the ABCA, in order to effect a change of name of the Corporation, a special resolution of the shareholders of the Corporation is required.**

### Shareholders' Proposals

A shareholder of a corporation incorporated under the ABCA who is entitled to vote may submit notice of a shareholder proposal. To be eligible to make a proposal, a person must:

- (a) be a registered holder or beneficial owner of a prescribed number of shares for a prescribed period. Under the regulations currently in effect, the prescribed number of shares is the number of voting shares (i) that is equal to at least 1% of all issued voting shares of the corporation as of the day on which the registered holder or beneficial owner of the shares submits a proposal, or (ii) whose fair market value as determined as of the close of business on the day before the registered holder or beneficial owner of the shares submits the proposal is at least \$2,000. Under the regulations currently in effect, the prescribed period is the 6- month period immediately before the day on which the registered holder or beneficial owner of the shares submits the proposal;
- (b) have the prescribed level of support of other registered holders or beneficial owners of shares. Under the regulations currently in effect, the prescribed level of support for the proposal by other registered holders or beneficial owners of shares is at least 5% of the issued voting shares of the corporation;
- (c) provide to the corporation his or her name and address and the names and addresses of those registered holders or beneficial owners of shares who support the proposal; and
- (d) continue to hold or own the prescribed number of shares up to and including the day of the meeting at which the proposal is to be made.

In comparison, a person submitting a proposal under the BCBCA must have been a registered owner or beneficial owner of one or more shares carrying the right to vote at general meetings and must have owned such shares for an uninterrupted period of at least two years before the date of signing the proposal. Similar to the requirements of the ABCA, the proposal must be signed by shareholders who, together with the submitter, are registered or beneficial owners of: (a) at least 1% of the issued shares of the corporation that carry the right to vote at general meetings; or (b) shares with a fair market value exceeding an amount prescribed by regulation (currently \$2,000).

### Requisition of Meetings

The BCBCA provides that one or more shareholders of a company holding not less than 5% of the issued voting shares of the company may give notice to the directors requiring them to call and hold a general meeting within four months. The ABCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting to require the directors to call and hold a meeting of shareholders of a company for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

### Oppression Remedies

Pursuant to section 227 of the BCBCA, a shareholder (which term includes beneficial shareholders and any person whom the court considers to be an appropriate person to make an application under section 227) of a corporation has the right to apply to the court for an order under section 227 on the grounds that the affairs of the corporation are being or have been conducted, or that the powers of the directors are being exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or that some act of the corporation has been done or is threatened, or that some resolution of the shareholders holding shares of a class or series of shares has been passed or is proposed, that is unfairly prejudicial to one or more shareholders, including the applicant. In response to such application, the court may make such order as it considers appropriate, including an order to direct or prohibit any act proposed by the corporation.

**The ABCA contains rights that are substantially broader than the BCBCA in that they are available to a larger class of complainants.** Under the ABCA, a shareholder, former shareholder, director, former director, officer, former officer and certain creditors of a corporation or any of its affiliates, or any other person who, in the discretion of the court, is a proper person to seek an oppression remedy may apply to the court for an order to rectify the matters complained of where, in respect of a corporation or any of its affiliates, any act or omission of the corporation or its affiliates effects a result, the business or affairs of the corporation or any of its affiliates are or have been carried on or conducted in a manner, or the powers of the directors of the corporation or its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director, or officer.

#### Shareholder Derivative Actions

Pursuant to section 232 of the BCBCA, a shareholder (which term includes beneficial shareholders and any person whom the court considers to be an appropriate person to make an application under section 232 of the BCBCA) or director of a corporation may, with leave of the court, and after having made reasonable efforts to cause the directors of the corporation to prosecute a legal proceeding, prosecute such proceeding in the name of and on behalf of the corporation to enforce a right, duty or obligation owed to the corporation that could be enforced by the corporation itself or to obtain damages for any breach of such right, duty or obligation. There is a similar right of a shareholder or director, with leave of the court, and in the name and on behalf of the corporation, to defend a legal proceeding brought against the corporation.

**The ABCA contains similar provisions for derivative actions but the right to bring a derivative action is available to a broader group.** In addition to shareholders and directors, the right under the ABCA is available to former shareholders, former directors, officers, former officers, any affiliate of the foregoing, and any person who, in the discretion of the court, is a proper person to make an application to the court to bring a derivative action.

#### Rights of Dissent under the ABCA and BCBCA

The ABCA provides that shareholders who dissent to certain actions being taken by a corporation may exercise a right of dissent and require the corporation to purchase the shares held by such shareholders at the fair value of such shares. This dissent right is available when a corporation proposes to: (a) amend its articles to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class; (b) amend its articles to add, change or remove any restrictions on the business or businesses that the corporation may carry on; (c) amend its articles to add or remove an express statement establishing the unlimited liability of shareholders; (d) amalgamate with another corporation pursuant to certain statutory provisions; (e) be continued under the laws of another jurisdiction; or (f) sell, lease or exchange all or substantially all its property.

Similarly, the BCBCA provides a dissent remedy where a company proposes to: (a) alter its articles to alter restrictions on the powers of the company or on the business it is permitted to carry on; (b) adopt an amalgamation agreement; (c) approve an amalgamation into a foreign jurisdiction; (d) approve an arrangement, the terms of which arrangement permit dissent; (e) authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking; and (f) authorize the continuation of the company into a jurisdiction other than British Columbia. Under the BCBCA, the dissent right is also applicable to any other resolution, if dissent is authorized by the resolution, or under any court order that permits dissent.

#### ***Right to Dissent to the Continuance Resolution***

A registered shareholder has the right to dissent (a “**Dissenting Shareholder**”) to the Continuance Resolution pursuant to Section 191 of the ABCA. The following description of the right to dissent and appraisal to which Dissenting Shareholders are entitled is not a comprehensive statement of the

procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such Dissenting Shareholder's Common Shares, and is qualified in its entirety by the reference to the full text of Section 191 of the ABCA, the text of which is attached at Exhibit I. A Dissenting Shareholder who intends to exercise the right to dissent and appraisal should carefully consider and comply with the provisions of Section 191 of the ABCA. Failure to strictly comply with the provisions of Section 191 of the ABCA and to adhere to the procedures established therein may result in the loss of all rights thereunder.

Under the ABCA, a registered holder of Common Shares is entitled, in addition to any other right such holder may have, to dissent and to be paid by the Corporation the fair value of the Common Shares held by such Dissenting Shareholder in respect of which such Dissenting Shareholder dissents, determined as of the close of business on the last business day before the day on which the Continuance Resolution was adopted. A registered shareholder may dissent only with respect to all of the Common Shares held by such registered holder or on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. **Only registered shareholders may dissent. Persons who are beneficial owners of Common Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that they may only do so through the registered owner of such securities. A registered holder, such as a broker, who holds Common Shares as nominee for beneficial holders, some of whom wish to dissent, must exercise dissent rights on behalf of such beneficial owners with respect to the Common Shares held for such beneficial owners. In such case, the demand for dissent should set forth the number of Common Shares covered by it.**

A Dissenting Shareholder must send to the Corporation a written objection to the Continuance Resolution at or prior to the Meeting.

A registered shareholder wishing to exercise the right to dissent with respect to such holder's Common Shares must not vote such Common Shares at the Meeting, either by the submission of a proxy or by personally voting, in favour of the Continuance Resolution.

An application may be made to the Alberta Court of Queen's Bench (the "**Court**") by the Corporation or by a Dissenting Shareholder after the adoption of the Continuance Resolution to fix the fair value of the Dissenting Shareholder's Common Shares. If such an application to the Court is made by the Corporation or a Dissenting Shareholder, the Corporation must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay the Dissenting Shareholder an amount considered by the Corporation's Board of Directors to be the fair value of the Common Shares. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable, if the Corporation is the applicant, or within 10 days after the Corporation is served with notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

A Dissenting Shareholder may make an agreement with the Corporation for the purchase of such holder's Common Shares in the amount of the offer made by the Corporation (or otherwise) at any time before the Court pronounces an order fixing the fair value of the Common Shares.

A Dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application or appraisal. On the application, the Court will make an order fixing the fair value of the Common Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against the Corporation and in favour of each of those Dissenting Shareholders, and fixing the time within which the Corporation must pay that amount payable to the Dissenting Shareholders. The Court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as a shareholder of the Corporation, until the date of payment.

On the Continuance becoming effective, or upon the making of an agreement between the Corporation and the Dissenting Shareholder as to the payment to be made by the Corporation to the Dissenting Shareholder, or upon the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as a shareholder of the Corporation other than the right to be paid the fair value of such holder's Common Shares, in the amount agreed to between the Corporation and the Dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw the Dissenting Shareholder's dissent, and the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

All Common Shares held by Dissenting Shareholders who exercise their right to dissent will, if the holders are ultimately paid the fair value thereof, be deemed to be transferred to the Corporation in exchange for such fair value.

***Board Recommendation and Resolution***

**The Board of Directors believes that the Continuance is in the best interests of the Corporation and therefore unanimously recommends that shareholders vote in favour of the special resolution.**

The text of the special resolution to be voted on at the Meeting by the shareholders is set forth below.

**“Be it resolved as a special resolution of the Corporation that:**

1. **the Corporation be authorized to make application to the Registrar of Corporations of Alberta for approval to file a continuation application with the Registrar under the BCBCA to continue the Corporation from the *Business Corporations Act* (Alberta) (the “ABCA”) to the *Business Corporations Act* (British Columbia) (the “BCBCA”) as if the Corporation had been incorporated under the BCBCA, and to make application to the Registrar of Corporations of Alberta for the issuance of a Certificate of Discontinuance;**
2. **the Corporation be authorized to file an continuation application with the Registrar under the BCBCA to continue the Corporation under the BCBCA and to obtain a Certificate of Continuation under the BCBCA;**
3. **subject to the completion of such continuance and the issue of such Certificate of Discontinuance under the ABCA and a Certificate of Continuation under the BCBCA, and without affecting the validity of the Corporation and existence of the Corporation by or under its Articles of Incorporation, as amended (the “Articles”), and of any act done thereunder, the Corporation’s Articles will be amended to make all changes necessary to conform to the requirements of the BCBCA upon the issuance of a Certificate of Continuation under the BCBCA;**
4. **the Board of Directors may, at its sole discretion, decide to not act on this special resolution without further approval or authorization from the shareholders of the Corporation; and**
5. **any one (or more) director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this special resolution.”**

**Unless otherwise directed, it is the intention of the Management Designees to vote proxies in favour of the special resolution approving the Continuance.** In order to be effective, the special resolution in

respect of the approval of the Continuance requires approval of not less than two thirds (2/3) of the votes cast by shareholders who vote in respect of such special resolution.

### **OTHER BUSINESS**

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

### **GENERAL**

**Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein.** All special resolutions to be brought before the Meeting require, for the passing of the same, a two-thirds majority of the votes cast at the Meeting by the holders of Common Shares. All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders require the approval of the shareholders not affected by, or interested in, the matter to be approved.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information of the Corporation's most recently completed financial year is provided, or will be provided, in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR. A shareholder may contact the Corporation at:

ExGen Resources Inc.  
1240 – 1140 West Pender Street  
Vancouver, British Columbia V6E 4G1  
Attention: President

to obtain a copy of the Corporation's most recent financial statements and management discussion and analysis without charge.

### **BOARD APPROVAL**

The contents and the sending of this Management Information Circular have been approved by the Board of Directors of the Corporation.

## EXHIBIT I

### SECTION 191 OF THE BUSINESS CORPORATIONS ACT (ALBERTA)

191(1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to

- (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
  - (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
    - (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
  - (a) amalgamate with another corporation, otherwise than under section 184 or 187,
  - (b) be continued under the laws of another jurisdiction under section 189, or
  - (c) sell, lease or exchange all or substantially all its property under section 190.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)
- (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
  - (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the shareholder learns that the resolution was adopted and of the shareholder's right to dissent.
- (6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),
- (a) by the corporation, or
  - (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents

under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

- (7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the Directors to be the fair value of the shares.
- (8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder

  - (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
  - (b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.
- (9) Every offer made under subsection (7) shall

  - (a) be made on the same terms, and
  - (b) contain or be accompanied with a statement showing how the fair value was determined.
- (10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11) A dissenting shareholder

  - (a) is not required to give security for costs in respect of an application under subsection (6), and
  - (b) except in special circumstances must not be required to pay the costs of the application or appraisal.
- (12) In connection with an application under subsection (6), the Court may give directions for

  - (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
  - (b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,
  - (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
  - (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
  - (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
  - (f) the service of documents, and
  - (g) the burden of proof on the parties.
- (13) On an application under subsection (6), the Court shall make an order

- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
- (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
- (c) fixing the time within which the corporation must pay that amount to a shareholder, and
- (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.

**(14) On**

- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
- (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or
- (c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

**(15)** Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

**(16)** Until one of the events mentioned in subsection (14) occurs,

- (a) the shareholder may withdraw the shareholder's dissent, or
- (b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

**(17)** The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

**(18)** If subsection (20) applies, the corporation shall, within 10 days after

- (a) the pronouncement of an order under subsection (13), or
- (b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

**(19)** Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

**(20)** A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

- (a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or
- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.