

MG CAPITAL CORPORATION

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

TO BE HELD ON MAY 9, 2019

AND

MANAGEMENT INFORMATION CIRCULAR DATED APRIL 8, 2019

This management information circular and the accompanying materials require your immediate attention. If you are in doubt as to how to deal with these documents or the matters to which they refer, please consult your financial, legal, tax or other professional advisor.

MG CAPITAL CORPORATION
M18 317 Banff Avenue
Banff, Alberta
T1L 1C1

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of MG Capital Corporation (the “**Corporation**”) will be held at the offices of Borden Ladner Gervais LLP, 1900, 520 – 3rd Avenue SW, Calgary, Alberta, on May 9, 2019 at 10:00 a.m. (Calgary time), for the following purposes:

1. to receive and consider the audited annual financial statements of the Corporation for the financial year ended December 31, 2018 together with the notes thereto, and the report of the auditors thereon;
2. to fix the board of directors of the Corporation (the “**Board**”) to be elected at the Meeting at three (3) members;
3. to elect the Board of the Corporation for the ensuing year;
4. to re-appoint KPMG LLP, Chartered Accountants of Calgary, Alberta as the auditors of the Corporation for the ensuing year and to authorize the Board to fix their remuneration;
5. to consider, and if thought advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying management information circular prepared for the purposes of the Meeting (the “**Information Circular**”), to renew and approve the Corporation’s stock option plan; and
6. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Information Circular.

Only Shareholders of record as of the close of business on April 1, 2019 (the “**Record Date**”) are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat. To the extent that a Shareholder transfers the ownership of any Common Shares after the Record Date and the transferee of those Common Shares establishes ownership of such Common Shares and demands, not later than ten (10) days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

A shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment or adjournments thereof in person are requested to date, sign and return the accompanying instrument of proxy (“Instrument of Proxy”) for use at the Meeting or any adjournment or adjournments thereof. To be effective, the enclosed Instrument of Proxy must be mailed so as to reach or be deposited with Computershare Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, North Tower, Toronto, Ontario M5J 2Y1 or by phone to 1 (866) 732-8683, at least forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment or adjournments thereof. Registered Shareholders may also use the internet (www.investorvote.com) to vote their Common Shares. If you are a non-registered Shareholder of the Corporation and receive these materials through your broker or another intermediary, please complete and return the form of proxy provided to you by such broker or other intermediary, in accordance with the instructions therein. Late voting instruction forms may be accepted or rejected by the Chairman of the Meeting in his sole discretion and the Chairman is under no obligation to accept or reject any particular late form of proxy.

DATED this 8th day of April, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS OF
MG CAPITAL CORPORATION**

“Peter McKeown”

Peter McKeown
CEO, CFO and Corporate Secretary

MG CAPITAL CORPORATION

ANNUAL GENERAL AND SPECIAL MEETING OF COMMON SHAREHOLDERS TO BE HELD MAY 9, 2019

MANAGEMENT INFORMATION CIRCULAR

PERSONS MAKING THE SOLICITATION

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of MG Capital Corporation (the “**Corporation**”) for use at the annual general and special meeting of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of the Corporation (the “**Meeting**”) to be held on May 9, 2019 at 10:00 a.m. (Calgary time) at the offices of Borden Ladner Gervais LLP, 1900, 520 – 3rd Avenue SW, Calgary, Alberta for the purposes set forth in the accompanying Notice of Annual Meeting (the “**Notice of Meeting**”). References in this Information Circular to the Meeting include any adjournment or adjournments thereof.

The costs incurred in the preparation and mailing of both the instrument of proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Corporation who will not be directly compensated therefor.

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with brokerage houses and 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. The Corporation has determined not to deliver the proxy-related materials and a voting instruction form to non-objecting beneficial owners of securities (“**NOBO’s**”). The record date to determine the registered Shareholders entitled to receive the Notice of Meeting is April 1, 2019 (the “**Record Date**”).

The Corporation intends to pay for intermediaries to deliver proxy-related materials of Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to the objecting beneficial owners of Common Shares (“**OBOs**”). OBOs and NOBOs are herein collectively referred to as “**Beneficial Shareholders**”. See also “*Advice to Beneficial Shareholders*” in this Information Circular.

The Corporation will not be providing the Notice of Meeting, the Information Circular or the enclosed instrument of proxy (the “**Instrument of Proxy**”) to registered Shareholders or Beneficial Shareholders through the use of notice and access as such term is defined in NI 54-101.

All information provided herein is as at April 8, 2019 unless otherwise indicated.

PROXY RELATED INFORMATION

Appointment and Revocation of Proxies

The persons named (the “Management Designees”) in the enclosed 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 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 or her 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 or, if the appointor is a company, under its seal or under the hand of its duly authorized officer or attorney or other person authorized to sign.

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, Attention: Proxy Department, 8th Floor, 100 University Avenue, North Tower, Toronto, Ontario M5J 2Y1 or by phone to 1 (866) 732-8683, at least forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays) prior to the time set for the Meeting or any adjournment or adjournments thereof. Registered Shareholders may also vote via the internet at www.investorvote.com. 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 or her 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 office of the Corporation or with Computershare Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, North Tower, Toronto, Ontario M5J 2Y1 or by phone to 1 (866) 732-8683, at least forty-eight (48) hours prior to the time set for the Meeting or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment thereof.

Voting of Proxies

Each shareholder may instruct his or her proxy how to vote his or her 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. The Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the meeting.

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.

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.

ADVICE TO BENEFICIAL SHAREHOLDERS

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 CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms).

Voting by Beneficial Shareholders

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. The directors and officers of the Corporation do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held, and

directors and officers of the Corporation do not necessarily know for whose benefit the Common Shares registered in the name of any broker or agent are held.

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**"). 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 or her broker, a Beneficial Shareholder may attend the Meeting as proxy holder 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 proxy holder 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 Information Circular and the accompanying Instrument of Proxy and the Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares issuable in series. As at the date hereof, there are 5,510,000 Common Shares and no preferred shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The record date for the determination of Shareholders entitled to receive notice of the Meeting has been fixed at April 1, 2019 (the "**Record Date**"). All such holders of record of Common Shares are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation's transfer agent, Computershare Trust Company of Canada, within the time specified in the attached Notice of Meeting, to attend and vote thereat by proxy the Common Shares held by them.

Only registered holders of Common Shares of record as of the close of business on the Record Date are entitled to notice of and to attend the Meeting or any adjournment or adjournments thereof and to vote thereat. To the extent that a Shareholder transfers the ownership of any Common Shares after the Record Date and the transferee of those Common Shares establishes ownership of such Common Shares and demands, not later than ten (10) days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting. In addition, Beneficial Shareholders as of the Record Date will be entitled to exercise their voting rights in accordance with the procedures established under NI 54-101. See "*Advice to Beneficial Shareholders*" in this Information Circular.

The by-laws of the Corporation provide that at least two persons holding or representing by proxy not less than five percent (5%) of the outstanding shares of the Corporation entitled to vote at the Meeting will constitute a quorum for the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company, other than those listed below, beneficially owns, or exercises control or direction over, directly or indirectly, voting securities of the Corporation carrying ten percent (10%) or more of the voting rights attached to all outstanding Common Shares.

<u>Name of Shareholder</u>	<u>Number and Percentage of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾</u>
Peter L. McKeown	670,000 Common Shares (12.16%)
Jamie McVicar	670,000 Common Shares (12.16%)
Glenn Jamieson	670,000 Common Shares (12.16%)
Bob Schiesser	1,000,000 Common Shares (18.15%)

Note:

(1) Percentage of Common Shares beneficially owned is calculated based on an aggregate of 5,510,000 Common Shares outstanding as of the Record Date.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors of the Corporation.

Certain directors and officers of the Corporation hold Options (as defined herein). At the Meeting, Shareholders will be asked to approve and adopt an ordinary resolution relating to the renewal and approval of the Option Plan (as defined herein). See “*Matters to be Considered at the Meeting – Approval of the Stock Option Plan*”.

MATTERS TO BE CONSIDERED AT THE MEETING

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

A. ORDINARY BUSINESS

1. Financial Statements

At the Meeting, Shareholders will receive the audited financial statements of the Corporation for the financial year ended December 31, 2018 together with the notes thereto, and the report of the auditors thereon (collectively, the “**Financial Statements**”). Shareholder approval of the Financial Statements is not required and no formal action will be taken at the Meeting to approve the Financial Statements.

2. Fixing Number of Directors

At the Meeting, Shareholders will be asked to consider, and if thought fit, approve an ordinary resolution fixing the Board at three (3) members for the next ensuing year. Such fixing of the number of members of the Board is, pursuant to the provisions of the *Business Corporations Act* (Alberta) to which the Corporation is subject, subject to the articles of the Corporation relating to subsequent appointments of directors by the Board. **Unless otherwise directed, the Management Designees will vote in favour of the ordinary resolution to fix the number of directors at three (3) members.** The text of the ordinary resolution for the approval and fixing of the number of directors which management intends to place before Shareholders at the Meeting is as follows:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of MG Capital Corporation (the “**Corporation**”) that:

1. the number of directors to be elected at the Meeting for the ensuring year or otherwise as authorized by the shareholders of the Corporation be and is hereby fixed at three (3); and
2. any one 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.”

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by holders of Common Shares voting in person or by proxy.

3. Election of Directors

The Corporation currently has three (3) directors and all of these directors are standing for re-election. The following table sets forth: (i) the name of each person who is proposed to be nominated for election as a director; (ii) all positions and offices in the Corporation presently held by such nominee; (iii) the nominee’s municipality of residence and principal occupation; (iv) the period during which the nominee has served as a director; and (v) the number of Common Shares that the nominee has advised are beneficially owned, or controlled or directed, directly or indirectly, by the nominee as of the date hereof.

Unless otherwise directed, the Management Designees will vote for the election of the persons named in the following table to the Board. Management believes the election of the below mentioned nominees as directors of the Corporation is in the best interests of the Corporation and recommends that the Shareholders vote in favour of the nominees. Management does not contemplate that any of such nominees will be unable to serve as directors. Each director elected will hold office until the next annual 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* (Alberta) to which the Corporation is subject.

Name, Present Position with the Corporation and Municipality of Residence	Principal Occupation	Date when became a Director of the Corporation	Number of Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽²⁾
Peter L. McKeown ⁽¹⁾ Chief Executive Officer, Chief Financial Officer, Corporate Secretary, Director <i>Canmore, Alberta, Canada</i>	Mr. McKeown has been a director of the Corporation since November 9, 2017. Mr. McKeown has been the Chief Executive Officer, Chief Financial Officer and Corporate Secretary of the Corporation since November 9, 2017.	November 9, 2017	670,000
Jamie McVicar ⁽¹⁾ Director <i>Canmore, Alberta, Canada</i>	Mr. McVicar has been a director of the Corporation since November 9, 2017.	November 9, 2017	670,000
Glenn Jamieson ⁽¹⁾ Director <i>Oakville, Ontario, Canada</i>	Mr. Jamieson has been a director of the Corporation since November 9, 2017. Mr. Jamieson is the Chairman of the Audit Committee.	November 9, 2017	670,000

Notes:

- (1) Member of the Audit Committee.
- (2) The number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, as at the date hereof is based upon information furnished to the Corporation by the above individuals.

Corporate Cease Trade Orders or Bankruptcies

No proposed director of the Corporation:

- (a) is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any other issuer (including the Corporation) that:
- (i) was subject to a cease trade order, or similar order, or 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, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade order, or similar order, or 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, 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; or
 - (iii) is, as at the date hereof, or has been within 10 years before the date hereof, a director or executive officer of any issuer (including the Corporation), that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date hereof, 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 its assets.

Penalties or Sanctions

No proposed director of the Corporation has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable shareholder making a decision about whether to vote for the proposed director.

4. Appointment of Auditors

The Shareholders of the Corporation will be asked to vote for the re-appointment of KPMG LLP, Chartered Accountants, of Calgary, Alberta as auditors of the Corporation. **Unless otherwise directed, the Management Designees intend to vote in favour of the ordinary resolution re-appointing KPMG LLP, Chartered Accountants, as auditors for the Corporation for the next ensuing year,** to hold office until the close of the next annual meeting of Shareholders or until they are removed from office or resign and authorizing the Board to fix the compensation of the auditors. KPMG LLP, Chartered Accountants have been the auditors of the Corporation since incorporation.

B. SPECIAL BUSINESS

1. Approval of Stock Option Plan

The Corporation has adopted an incentive stock option plan (the “**Option Plan**”), substantially in the form attached hereto as Exhibit I, which provides that the Board may from time to time, in its discretion, and in accordance with the requirements of the TSX Venture Exchange (the “**TSXV**”), grant to directors, officers, employees and technical consultants to the Corporation, non-transferable options (“**Options**”) to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares, exercisable for a maximum period of up to ten years from the date of grant. In addition, the Option Plan provides that:

- (a) no more than 5% of the issued shares of the Corporation will be granted to any individual in any 12 month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable

TSXV requirements; (b) no more than 2% of the issued shares of the Corporation will be granted to any one consultant in any 12 month period; and (c) no more than an aggregate of 2% of the issued Common Share of the Corporation will be granted to an employee conducting investor relations activities in any 12 month period.

During the time that the Corporation is a capital pool company (“CPC”), however, the aggregate number of Common Shares issuable upon exercise of all Options granted under the Option Plan shall not exceed 10% of the Common Shares of the Corporation issued and outstanding at the closing of the Corporation’s initial public offering, such Options being exercisable for a maximum period of up to ten years from the date of grant. Similarly, for as long as the Corporation is a CPC, the number of Common Shares reserved for issuance to: (a) any individual director or officer will not exceed 5% of the issued and outstanding Common Shares at the closing of the Corporation’s initial public offering; and (b) all consultants will not exceed 2% of the issued and outstanding Common Shares at the closing of the Corporation’s initial public offering. As required by the CPC Policy, the Corporation, as long as it is a CPC, will not grant Options to any person providing investor relations activities, promotional or market-making services. Options may be exercised the greater of 12 months after the Completion of the Qualifying Transaction (the “Qualifying Transaction”) and 90 days following cessation of the optionee’s position with the Corporation, provided that if the cessation of office, employment, directorship, or consulting arrangement was by reason of death, the Option may be exercised within a maximum period of one year after such death, subject to the expiry date of such Option. The exercise price of the options cannot be less than the greater of the initial public offering Common Share price and the Discounted Market Price (as such term is defined in the policies of the TSXV).

As of the date hereof, employees, consultants, directors and officers hold in aggregate 540,000 Options to acquire Common Shares pursuant to the Option Plan. As of the date hereof there are 11,000 options to purchase Common Shares currently available for future grants.

Pursuant to the policies of the TSXV, stock option plans which reserve for issuance up to ten per cent (10%) of a listed company’s shares must be approved annually by shareholders of the listed corporation. This approval is being sought at the Meeting. At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the Option Plan. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Option Plan is as follows:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the MG Capital Corporation (the “Corporation”) that:

1. the stock option plan of the Corporation, substantially in the form attached as Exhibit I (the “**Option Plan**”) to the management information circular of the Corporation dated April 8, 2019, be and is hereby approved and adopted as the stock option plan of the Corporation;
2. the form of the Option 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; and
3. any one 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.”

The foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by holders of Common Shares voting in person or by proxy. **Unless otherwise directed, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution approving the Option Plan for the ensuing year.**

2. 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.**

EXECUTIVE COMPENSATION

Director and Named Executive Officer Compensation, Excluding Securities

Securities legislation requires the disclosure of compensation received by each “Named Executive Officer” of the Corporation for the two most recently completed financial years. The Corporation is currently a CPC (as such term is defined in the policies of the TSXV) and until the Corporation completes a Qualifying Transaction (as such term is defined in the policies of the TSXV), no compensation of any kind may be provided to the Corporation’s directors or officers, directly or indirectly, by any means, including payment of salary, other than compensation that may be provided by way of options to purchase Common Shares in the Corporation pursuant to the Option Plan, a copy of which is attached hereto as Exhibit 1.

Peter L. McKeown (the “**Named Executive Officer**”) was appointed as the Chief Executive Officer, Chief Financial Officer and Corporate Secretary of the Corporation effective November 9, 2017. As at the date hereof, the Named Executive Officer has not received any salary, share-based awards, non-equity incentive plan compensation, pension value or other compensation other than Option-based awards from the Corporation.

Stock Options and Other Compensation Securities

Securities legislation requires the disclosure of compensation securities received during the Corporation’s most recently completed financial year for the directors of the Corporation and the Named Executive Officer, namely Peter L. McKeown, Chief Executive Officer, Chief Financial Officer and Corporate Secretary. No compensation securities were granted or issued to the Corporation’s Named Executive Officer or directors by the Corporation during the most recently completed financial year.

As of December 31, 2018, the last day of the most recently completed financial year: (i) Peter L. McKeown held a total of 180,000 stock options and 670,000 Common Shares; (ii) Jamie McVicar held a total of 180,000 stock options and 670,000 Common Shares; and (iii) Glenn Jamieson held a total of 180,000 stock options and 670,000 Common Shares.

Stock Option Plans and Other Incentive Plans

The Corporation has established an Option Plan for its directors, officers, employees and consultants which was previously approved by the Shareholders. The number of authorized but unissued Common Shares that may be subject to options granted to optionees under the Option Plan shall not exceed 10% of the Common Shares issued and outstanding on the date of grant. Rolling 10% stock options plans such as the Option Plan require annual shareholder approval. As of the date hereof: (i) the Corporation has 540,000 outstanding stock options issued under the Option Plan, all of which have vested; and (ii) the Corporation currently has no options available for further issuance under the Option Plan.

Oversight and Description of Director and Named Executive Officer Compensation

The Board as a whole is responsible for determining the overall strategy of the Corporation and administering the Corporation’s executive compensation program. The Corporation chooses to issue Options to maintain a competitive position in the CPC marketplace and because it is the only permissible form of compensation that may be awarded to its directors and officers while it is a CPC.

The objective and purpose of any Option reward is to encourage the Corporation’s officers and directors to find a Qualifying Transaction that is in the best interest of the Shareholders. If a Qualifying Transaction is not successfully completed, or if one is completed that does not increase the value of the Common Shares during the term of the Option, the directors and officers will receive no benefit, or very little benefit, from any Options.

With respect to the grant of Options, the Chief Executive Officer of the Corporation recommends to the Board the individual equity incentive awards for each executive officer and director. The Board then takes these recommendations into consideration when making final decisions on compensation for those executive officers. The Board does not use formulas or benchmarks for each grant, but is restricted by the policies of the TSXV and the terms of the Option Plan in how many Options it may grant. Options under the Option Plan are awarded to executive officers by the Board based upon the level of responsibility and contribution of the individuals towards the Corporation’s goals

and objectives. Previous grants of Options to a particular individual will be taken into account when considering future grants of Options to that particular individual.

Following the completion of a Qualifying Transaction by the Corporation, if any, it is anticipated that the Corporation will pay compensation to its directors and officers in accordance with industry standards, depending on the nature and size of the particular business that the Corporation acquires in connection with any Qualifying Transaction that it may complete.

Pension Plan Benefits

During the year ended December 31, 2018, the Corporation did not provide a defined benefit plan or actuarial plan for its employees, officers or directors.

Equity Compensation Plan Information

The following table sets forth information in respect of securities authorized for issuance under the Corporation's equity compensation plans as at December 31, 2018.

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 securities reflected herein)
Equity compensation plans approved by securityholders ⁽¹⁾⁽²⁾	540,000 ⁽²⁾	\$0.10 ⁽²⁾	11,000 ⁽¹⁾⁽³⁾
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	540,000 ⁽¹⁾⁽²⁾	\$0.10 ⁽¹⁾⁽²⁾	11,000 ⁽¹⁾⁽³⁾

Notes:

- (1) The Option Plan is a "rolling" stock option plan which reserves for issuance a maximum of 10% of the issued and outstanding Common Shares at the time of the Option grant.
- (2) On April 30, 2018, upon completion of the Corporation's initial public offering, the Corporation granted 540,000 Options to directors, officers, technical consultants or employees of the Corporation with an exercise price of \$0.10 per Common Share.
- (3) The Corporation currently has 11,000 Options available for further issuance under the Option Plan.

CORPORATE GOVERNANCE DISCLOSURE

General

The Board views effective corporate governance as an essential element for the effective and efficient operation of the Corporation. The Corporation believes that effective corporate governance improves corporate performance and benefits all of its Shareholders. The following statement of corporate governance practices sets out the Board's review of the Corporation's governance practices relative to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") and National Policy 58-201 – *Corporate Governance Guidelines*.

Board of Directors

The Board, which is responsible for supervising the management of the business and affairs of the Corporation, is currently comprised of three (3) directors. Following the Meeting, it is anticipated that there will be three (3) directors, of which two (2) are expected to be independent, as such term is defined in NI 58-101 and Section 1.4 of National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The independent directors are expected to be Jamie McVicar and Glenn Jamieson. Peter L. McKeown, the Chief Executive Officer, Chief Financial Officer and Corporate Secretary is not independent by virtue of being a member of the Corporation's management or a related party thereto.

Other Reporting Issuer Experience

Certain of the Corporation's directors or nominee directors are currently directors or have served as directors of officers of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Market	Position	Term
Peter McKeown	Axia NetMedia Corporation	TSX	Chief Financial Officer	March 1995 – March 2011
Jamie McVicar	Smart Centres REIT	TSX	Trustee	December 2001 – Present

Orientation and Continuing Education of Board Members

The Corporation currently does not have any formal orientation or continuing education programs in place for new directors, as there have been no changes in Board membership since incorporation. At such time as there is a change in the Board, this policy will be reviewed.

Ethical Business Conduct

The Board is of the view that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

Nomination of Directors

The size of the Board is reviewed annually when the Board considers the number of directors to recommend for election at the annual meeting of Shareholders. The Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

Compensation of Directors and Officers

The Board as a whole is responsible for determining the overall compensation strategy of the Corporation and administering the Corporation's executive compensation program. The Corporation is currently a CPC and until the Corporation completes a Qualifying Transaction, no compensation of any kind may be provided to the Corporation's directors or officers, directly or indirectly, by any means, including payment of salary, other than compensation that may be provided by way of Options to purchase Common Shares pursuant to the Corporation's Option Plan.

Other Board Committees

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

Assessment of Directors, the Board and Board Committees

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its Audit Committee, to satisfy itself that the Board, its Audit Committee and its individual directors are performing effectively.

AUDIT COMMITTEE DISCLOSURE

The following is provided in accordance with Form 52-110F2 of National Instrument 52-110 – *Audit Committees* (“NI 52-110”).

Audit Committee Charter

The audit committee of the Corporation (the “**Audit Committee**”) is a committee of the Board established for the purpose of overseeing the accounting and financial reporting process of the Corporation. The Audit Committee has set out its responsibilities and composition requirements in fulfilling its oversight in relation to the Corporation’s internal accounting standards and practices, financial information, accounting systems and procedures in the audit committee charter (“**Audit Committee Charter**”). See Exhibit II attached hereto for a copy of the Audit Committee Charter.

Composition of the Audit Committee

The Audit Committee consists of Peter L. McKeown, Jamie McVicar and Glenn Jamieson. Glenn Jamieson is the Chairman of the Audit Committee. Two (2) members of the Audit Committee, Mr. McVicar and Mr. Jamieson, are independent and all members are considered to be financially literate within the meaning of NI 52-110. Mr. McKeown is not considered to be independent within the meaning of NI 52-110 by virtue of being the Chief Executive Officer, Chief Financial Officer and Corporate Secretary of the Corporation.

Relevant Education and Experience of Audit Committee Members

Peter L. McKeown – Calgary, Alberta – Chief Executive Officer, Chief Financial Officer and Director

Mr. Peter L. McKeown is currently Chief Executive Officer, Chief Financial Officer and a director of the Corporation. Mr. McKeown, age 63, graduated from Carleton University with a Bachelor of Commerce degree in 1977 and received his Chartered Accountant’s designation in 1980. From March 1995 to March 2011, Mr. Peter McKeown was the Chief Financial Officer of Axia NetMedia Corporation. From March 2011 to present, Mr. Peter McKeown has acted as the Vice-President for Player Capital Corporation which is engaged in providing management and financial advisory services.

Jamie McVicar – Calgary, Alberta – Director and Chairman of the Audit Committee

Mr. Jamie McVicar is currently a director of the Corporation and Chairman of the Audit Committee. Mr. McVicar, age 61, graduated from the University of Alberta with a Bachelor of Commerce degree in 1980, received his Bachelor of Laws degree from the University of Western Ontario in 1981 and received his Masters of Business Administration from the University of Toronto in 1982. Mr. Jamie McVicar was admitted to the Law Society of Alberta in 1984. From October 2000 to September 2011, Mr. Jamie McVicar was the Vice President of Finance and Administration for Devonian Properties. Mr. Jamie McVicar has been a Trustee of Smart Centres REIT since December 2001.

Glenn Jamieson – Calgary, Alberta – Director

Mr. Glenn Jamieson is currently a director of the Corporation. Mr. Jamieson, age 50, graduated from McMaster University with a Bachelor of Commerce degree in 1991 and from McMaster University with a Masters of Business Administration in 1993. Mr. Glenn Jamieson received his Chartered Financial Analyst designation in 1997. Mr. Glenn Jamieson was an Equity Analyst for Macquarie Group Limited from January 2007 to January 2011 and has been the President of GJ Solutions Inc., which provides financial and market advisory services, since January 2011.

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.

Reliance on Certain Exemptions

During the most recently completed financial year, the Corporation has not relied on the De Minimis Non Audit Services exemption provided for in section 2.4 of NI 52-110 or an exemption from NI 51-110, in whole or in part, granted under Part 8 (exemption) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, as set out in the Audit Committee Charter attached as Exhibit II.

External Auditor Service Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the most recent completed financial year.

Financial Year Ended	Audit fees ⁽¹⁾	Audit related fees ⁽²⁾	Tax fees ⁽³⁾	All other fees ⁽⁴⁾
December 31, 2018	\$10,800	nil	nil	nil

Notes:

- (1) Includes the aggregate fees billed for the audit and review of the financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the 'Audit Fees' column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.
- (4) The aggregate fees billed for professional products and services other than those listed in the other three columns.

Exemption

As an issuer listed on the TSXV, the Corporation currently relies on the exemption set forth in Section 6.1 of NI 52-110 pertaining to composition of the Audit Committee and reporting obligations under NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of the Corporation, or any proposed nominee director, or any of their respective associates or affiliates, is or has been at any time since the beginning of the last completed fiscal year, indebted to the Corporation or any of its subsidiaries 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 or any of its subsidiaries.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, the Corporation is not aware of any material interest, direct or indirect, of any "informed person" of the Corporation, any proposed director of the Corporation or any associate or affiliate, of any of the foregoing in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the company or any of its subsidiaries.

For the purposes of the above, "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a company that is itself an informed person or subsidiary of the Corporation; (c) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

There are potential conflicts of interest to which all of the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. All of the directors and officers are engaged in and will continue to be engaged in corporations or businesses, including publicly traded corporations, which may be in competition with

the search by the Corporation for businesses or assets in order to close a Qualifying Transaction, as such term is defined in the policies of the TSXV. Accordingly, situations may arise where all of the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Alberta).

MANAGEMENT CONTRACTS

The Corporation has no management contracts or other arrangement in place where management functions are performed by a person or company other than the directors or executive officers of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available under the Corporation's profile on the SEDAR website at www.sedar.com. Financial information in respect of the Corporation and its affairs is provided in the Corporation's financial statements for the financial year ended December 31, 2018 and the related management's discussion and analysis. Copies of the Corporation's financial statements and related management's discussion and analysis are available on SEDAR at www.sedar.com and will be sent by the Corporation to any Shareholder upon request.

EXHIBIT I
STOCK OPTION PLAN
OF
MG CAPITAL CORPORATION

1. Purpose

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

2. Administration

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

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

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

3. Stock Exchange Rules

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

In particular, during the time that the Corporation is a Capital Pool Company (as defined in Policy 2.4 of the Exchange), this Plan is subject to Section 7 of Policy 2.4 of the Exchange as it relates to the issuance of options

4. Shares Subject to Plan

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

5. Maintenance of Sufficient Capital

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

6. Eligibility and Participation

Directors, senior officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company that provides management services to the Corporation or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in this Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by this Plan in the same manner as if the options were held by the Participant.

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

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

7. Exercise Price

- (a) The exercise price of the Shares, subject to each option, is determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be less than the Discounted Market Price (as defined in Policy 1.1 of Exchange).
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option is granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date the Corporation’s shares commenced trading or the date the exercise price was reduced. In the case of options held by insiders of the Corporation (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

8. Number of Optioned Shares

- (a) The number of Shares subject to an option granted to any one Participant is determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) The aggregate number of options granted to any single Participant in a twelve-month period must not exceed 5% of the issued common shares of the Corporation unless the Corporation has obtained disinterested shareholder approval in respect of such grant and the grant meets all other applicable Exchange requirements.
- (c) The aggregate number of options granted to any single consultant of the Corporation in a twelve-month period must not exceed 2% of the issued common shares of the Corporation.
- (d) The aggregate number of options granted to all persons retained to provide investor relations activities must not exceed 2% of the issued common shares of the Corporation in any twelve month period. Options granted to consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least twelve (12) months with no more than ¼ of the options vesting in any 3 month period

9. Duration of Option

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and subject to earlier termination as provided in Sections 13 and 14, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange, the maximum term may not exceed ten (10) years.

10. Corporation as a Capital Pool Company

Pursuant to Policy 2.4 of the Exchange, as may be amended from time to time, during the time that the Corporation is a Capital Pool Company the following restrictions apply:

- (a) the aggregate number of Shares issuable upon the exercise of all options granted under this Plan shall not exceed 10% of the common shares of the Corporation issued and outstanding at the closing of the Corporation's initial public offering ("IPO");
- (b) the aggregate number of Shares issuable upon exercise of all options granted under this Plan to any director or officer of the Corporation shall not exceed 5% of the common shares of the Corporation issued and outstanding at the closing of the IPO;
- (c) the aggregate number of Shares issuable upon the exercise of all options granted under this Plan to any technical consultant of the Corporation shall not exceed 2% of the common shares of the Corporation issued and outstanding at the closing of the IPO;
- (d) the exercise price of the options cannot be less than the greater of the IPO share price and the Discounted Market Price;
- (e) no options may be granted to a person providing investor relations activities, promotional or marketing services;
- (f) options granted to any person that does not continue as a director, officer, technical consultant or employee of the Resulting Issuer (as defined in Policy 2.4 of the Exchange), have a maximum term of the later of 12 months after the Completion of the Qualifying Transaction (as such term is defined in Policy 2.4 of the Exchange) and 90 days after the Optionee ceases to become a director, officer, technical consultant or employee of the Resulting Issuer; and
- (g) no options granted pursuant to this Plan may be exercised prior to the Completion of the Qualifying Transaction unless the person exercising such options agrees in writing to deposit the Shares acquired into escrow until the issuance of the Final Exchange Bulletin (as defined in Policy 2.4 of the Exchange).

11. Option Period, Consideration and Payment

- (a) The option period is a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 13 and 14.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan is approved by a resolution duly passed by the shareholders of the Corporation.

- (d) Except as set forth in Sections 13 and 14, no option may be exercised unless the Participant is, at the time of such exercise, a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option is contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any Shares of the Corporation unless and until the certificates for Shares issuable pursuant to options under this Plan are issued to him or them under the terms of this Plan.

12. Exchange Hold Period

In addition to any resale restrictions under securities laws and any other circumstance for which the Exchange Hold Period (as defined in Policy 1.1 of the Exchange) may apply, where the exercise price of any options granted pursuant to this Plan is at a discount to the Market Price (as defined in Policy 1.1 of the Exchange), all such options and any Listed Shares (as defined in Policy 1.1 of the Exchange) under such options exercised prior to the expiry of the Exchange Hold Period must be legended with the Exchange Hold Period commencing on the date such options were granted.

13. Ceasing To Be a Director, Officer, Consultant or Employee

- (a) Subject to subsection 13(b), if a Participant ceases to be a director, officer, consultant, employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.
- (b) If the Participant does not continue to be a director, officer, consultant, employee of the Resulting Issuer upon completion of the Corporation's Qualifying Transaction (as such terms are defined in the policies of the Exchange), the options granted hereunder must be exercised by the Participant within the later of twelve (12) months after completion of the Qualifying Transaction and 90 days after the Participant ceases to become a director, officer, consultant or employee of the Resulting Issuer.
- (c) Nothing contained in this Plan, nor in any option granted pursuant to this Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

14. Death of Participant

Notwithstanding Section 13, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

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

15. Rights of Optionee

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

16. Proceeds from Sale of Shares

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

17. Adjustments

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

Adjustments under this Section 17 shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share are required to be issued under this Plan on any such adjustment.

18. Transferability

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of this Plan are neither transferable nor assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

19. Amendment and Termination of Plan

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

20. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with this Plan is subject to any approvals that may be required from shareholders of the Corporation and any regulatory authority or stock exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation returned to the Participant.

21. Effective Date of Plan

This Plan has been adopted by the Board, subject to the approval of the Exchange, and if so approved, subject to the discretion of the Board, this Plan becomes effective upon such approvals being obtained.

22. Interpretation

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

EXHIBIT II

MG CAPITAL CORPORATION

AUDIT COMMITTEE CHARTER

1. **Mandate**

The primary function of the audit committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of MG Capital Corporation (the “**Company**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- (b) review and appraise the performance of the Company’s external auditor;
- (c) provide an open avenue of communication among the Company’s auditor, financial and senior management and the Board; and
- (d) report regularly to the Board the results of its activities.

2. **Composition**

The Committee shall be comprised of a minimum three directors as determined by the Board, a majority of whom shall not be officers or employees of the Company or any of its affiliates. If the Company ceases to be a “venture issuer” (as that term is defined in Multilateral Instrument 52 - 110 – *Audit Committees*), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Committee should have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting or until their successors are duly elected. Unless a chairperson (“**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

3. **Meetings**

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

4. **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

A. Documents/Reports Review

- (a) review and update this Audit Committee Charter annually;
- (b) review the Company’s financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor; and

- (c) review regular summary reports of directors and officers expense account claims at least annually, establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chair of the Committee will be responsible for approving the expense reports of the President and the Chief Executive Officer of the Company, and the Chief Executive Officer of the Company will be responsible for approving the expense reports of the directors and officers of the Company.

B. External Auditor

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

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

C. Financial Reporting Processes

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (l) on at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

D. Authority

- (a) The Committee will have the authority to:
 - i. review any related-party transactions;
 - ii. engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - iii. set and pay compensation for any independent counsel and other advisors employed by the Committee;
 - iv. communicate directly with the auditors; and
 - v. conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.