

MG CAPITAL CORPORATION

**NOTICE OF ANNUAL AND SPECIAL MEETING
OF THE SHAREHOLDERS OF
MG CAPITAL CORPORATION**

- and -

MANAGEMENT INFORMATION CIRCULAR and PROXY STATEMENT

Meeting to be held on October 20, 2020

Circular dated September 15, 2020

MG CAPITAL CORPORATION
#201 – 135 – 10th Avenue S.
Cranbrook, British Columbia V1C 2N1

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Shares**”) of **MG Capital Corporation** (the “**Corporation**”) will be held at #201 – 135 – 10th Avenue S., Cranbrook, British Columbia V1C 2N1 on **Tuesday, October 20, 2020 at 11:00 a.m. (MDT)** for the following purposes:

**TO PARTICIPATE, VOTE OR SUBMIT QUESTIONS DURING THE MEETING,
PLEASE REFER TO THE FOLLOWING DIAL-IN INSTRUCTIONS:**

Dial-in Toll-Free: 1-888-433-2192
Participant Code: 8832221

The Meeting is to be held for the following purposes:

1. to receive the audited consolidated financial statements of the Corporation for the financial year ended April 30, 2020, together with the auditors' report thereon;
2. to fix the size of the Board at five (5) members;
3. to elect the Board to serve until the next annual meeting of the Shareholders or until their successors are duly elected or appointed;
4. to appoint DeVisser Gray LLP, Chartered Accountants, as auditors and to authorize the board of directors to fix the auditors' remuneration;
5. to consider and, if thought advisable, to pass a resolution as set forth in the accompanying Information Circular, re-approving the stock option plan for the Corporation;
6. to consider and, if thought advisable, to approve a special resolution authorizing the Board to amend the Articles of Incorporation anytime over the next 12 months, to change the name of the Corporation to any such name deemed appropriate by the Board and as may be acceptable to the TSX Venture Exchange and Alberta Corporate Registries;
7. to consider and, if thought advisable, to approve a special resolution as set forth in the accompanying Information Circular, approving the continuation of the Corporation under the *Business Corporations Act* (British Columbia) from the Province of Alberta, and the adoption of new articles as necessary; and
8. to transact such other business as may properly be brought before the Meeting, or any adjournment(s) thereof.

Specific details of the matters proposed to be put before the Meeting are set forth in the Information Circular, which accompanies this Notice of Meeting.

Each person who is a Shareholder of record at the close of business on **September 15, 2020** (the “**Record Date**”), will be entitled to notice of, and to attend and vote at the Meeting provided that, to the extent a Shareholder as of the Record Date transfers the ownership of any Shares after such date and the transferee of those Shares establishes that the transferee owns the Shares and demands, not later than 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 Shares at the Meeting.

NOTE OF CAUTION Concerning COVID-19 Outbreak

At the date of this Notice and the accompanying Information Circular, it is the intention of the Corporation to hold the Meeting at the location stated above in this Notice. We are continuously monitoring development of current coronavirus (COVID-19) outbreak (“**COVID-19**”). In light of the rapidly evolving public health guidelines related to COVID-19, we ask shareholders to consider voting their shares by proxy and **NOT ATTEND THE MEETING IN PERSON**. Shareholders who do wish to attend the Meeting in person, should carefully consider and follow the instructions of the federal Public Health Agency of Canada: (<https://www.canada.ca/en/public-health/services/diseases/coronavirus-disease-covid-19.html>). We ask that shareholders also review and follow the instructions of any regional health authorities of the Province of Alberta, including the Alberta Health Services, and any other health authority holding jurisdiction over the areas you must travel through to attend the Meeting. Please do not attend the Meeting in person if you are experiencing any cold or flu-like symptoms, or if you or someone with whom you have been in close contact has travelled to/from outside of Canada within the 21 days immediately prior to the Meeting. All shareholders are strongly encouraged to vote by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Management Information Circular accompanying this Notice.

The Corporation reserves the right to take any additional pre-cautionary measures deemed to be appropriate, necessary or advisable in relation to the Meeting in response to further developments in the COVID-19 outbreak, including: (i) holding the Meeting virtually or by providing a webcast of the Meeting; (ii) hosting the Meeting solely by means of remote communication; (iii) changing the Meeting date and/or changing the means of holding the Meeting; (iv) denying access to persons who exhibit cold or flu-like symptoms, or who have, or have been in close contact with someone who has, travelled to/from outside of Canada within the 21 days immediately prior to the Meeting; and (v) such other measures as may be recommended by public health authorities in connection with gatherings of persons such as the Meeting. Should any such changes to the Meeting format occur, the Corporation will announce any and all of these changes by way of news release, which will be filed under the Corporation’s profile on SEDAR at www.sedar.com. We strongly recommend you check the Corporation’s profile on SEDAR prior to the Meeting for the most current information. In the event of any changes to the Meeting format due to the COVID-19 outbreak, the Corporation will **not** prepare or mail amended Meeting Proxy Materials.

THE BOARD OF DIRECTORS AND MANAGEMENT REQUEST ALL SHAREHOLDERS VOTE BY PROXY AND NOT ATTEND THE MEETING IN PERSON. THE CONFERENCE NUMBER IS PROVIDED BELOW AND IT ENABLES SHAREHOLDERS TO PARTICIPATE IN A VOICE ONLY CONFERENCE CALL.

Dial-in Toll-Free: 1-888-433-2192
Participant Code: 8832221

Cranbrook, British Columbia
September 15, 2020

By Order of the Board of Directors
(Signed) "**James Stypula**"
Chief Executive Officer

*Shareholders who are unable to attend the Meeting in person are requested to **COMPLETE AND SIGN THE ACCOMPANYING FORM OF PROXY** and forward it in the enclosed envelope to Computershare Trust Company of Canada, Attention: Proxy Department, 8th Floor, 100 University Avenue, North Tower, Toronto, Ontario M5J 2Y1, or by hand or courier delivery, or using Computershare’s toll free number within North America, 1-866-732-8683, or (312) 588-4290 outside North America, or by internet using the 15 digit control number located at the bottom of your proxy at www.investorvote.com, no later than **11:00 a.m. (MDT) on Friday, October 16, 2020**, or 48 hours (excluding Saturdays, Sundays and holidays) prior to the commencement or any adjournment of the Meeting, in order for such proxy to be used at the Meeting, or any adjournment(s) thereof.*

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GLOSSARY OF TERMS

The following is a glossary of terms and abbreviations used frequently throughout this Information Circular.

“**ABCA**” or “**Alberta Act**” means the *Business Corporations Act* (Alberta), including regulations promulgated thereunder.

“**BCCA**” or “**BC Act**” means the *Business Corporations Act* (British Columbia), including regulations promulgated thereunder.

“**Board**” means the board of Directors of the Corporation.

“**CEO**” or “**Chief Executive Officer**” means the individual who served as chief executive officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

“**CFO**” or “**Chief Financial Officer**” means the individual who served as chief financial officer of the Corporation or acted in a similar capacity during the most recently completed financial year.

“**Corporation**” or “**MG Capital**” means **MG Capital Corporation**, a corporation existing under the ABCA.

“**Director**” means a member of the Board.

“**Information Circular**” means this management information circular and proxy statement dated September 15, 2020, including the schedules appended hereto.

“**Meeting**” means the annual and special meeting of the Shareholders to be held at **#201 – 135 – 10th Avenue S., Cranbrook, British Columbia V1C 2N1** on **Tuesday, October 20, 2020** at 11:00 a.m. (MDT) for the purposes set forth in the Notice of Meeting.

“**NI 52-110**” means National Instrument 52-110 – Audit Committees.

“**Notice of Meeting**” means the notice of the Meeting accompanying this Information Circular.

“**Options**” means stock options to purchase Shares of the Corporation granted under the Option Plan.

“**Option Plan**” means the stock option plan of the Corporation attached hereto as Schedule “B”.

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

“**Registrar and Transfer Agent**” means Computershare Trust Company, the registrar and transfer agent of the Corporation as at the date hereof.

“**Record Date**” means September 15, 2020.

“**SEDAR**” means the system for electronic document analysis and retrieval at www.sedar.com.

“**Shareholder**” means a holder of Shares.

“**Share**” or “**Shares**” means common shares in the capital of the Corporation.

“**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, Shares, restricted shares, restricted share units, deferred share units, phantom shares, phantom share units, common share equivalent units, and stock.

“**TSXV**” means the TSX Venture Exchange.

MG CAPITAL CORPORATION
#201 – 135 – 10th Avenue S.
Cranbrook, British Columbia V1C 2N1

MANAGEMENT PROXY CIRCULAR
as of September 15, 2020 *(except as otherwise indicated)*

Unless otherwise stated herein, all capitalized terms herein shall have the meaning set forth in the Glossary of Terms.

This Information Circular is furnished to Shareholders in connection with the solicitation of proxies by the management of the Corporation for use at the Meeting and any adjournment(s) thereof.

The Meeting has been called for the purpose of receiving the 2020 annual financial statements and auditor's report, considering and voting upon fixing the number of directors, election of Directors, appointment of auditor, re-approval of the stock option plan of the Corporation, approval of a potential name change and approval for the continuance of the Corporation under the Business Corporations Act (*British Columbia*).

The disclosure herein is provided for the fiscal year ended April 30, 2020, however, for the purposes of providing current disclosure to Shareholders, **certain information is presented as at the date of the Information Circular.**

This Information Circular and the accompanying Notice of Meeting and form of proxy as well as other related Meeting materials are being mailed or delivered on or about September 23, 2020 to Shareholders of record as at September 15, 2020. Unless otherwise specified, all dollar amounts in this Information Circular are expressed in Canadian dollars.

GENERAL PROXY MATERIALS

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF THE CORPORATION FOR THE FINANCIAL YEAR ENDING APRIL 30, 2020 TO BE HELD ON OCTOBER 20, 2020.

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the Board for use at the Meeting and at any adjournment(s) thereof, for the purposes set forth in the accompanying Notice of Meeting.

Appointment and Revocation of Proxies

Instruments of proxy must be addressed to the Secretary of the Corporation and reach TSX Trust Company not later than 48 hours before the time for the holding of the Meeting or any adjournment(s) thereof. Only Shareholders of the Corporation at the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting unless after that date a Shareholder of record transfers its Shares and the transferee, upon producing properly endorsed certificates evidencing such Shares or otherwise establishing that he owns such Shares, requests at least 10 days prior to the Meeting that the transferee's name be included in the list of Shareholders entitled to vote, in which case, such transferee is entitled to vote such Shares at the Meeting.

An instrument of proxy shall be in writing and shall be executed by the Shareholder or his attorney authorized in writing or, if the Shareholder is a Corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. A Shareholder is entitled to appoint a person to attend the Meeting as the Shareholder's representative (who need not be a Shareholder of the Corporation) other than the persons designated in the form of proxy furnished by the Corporation. To exercise such right, the names of the persons designated by management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space required.

A proxy is revocable. The giving of a proxy will not affect a Shareholder's right to attend and vote in person at the Meeting. In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy by instrument in writing executed by the Shareholder or such Shareholder's attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof, duly authorized, and deposited at the registered office of the Corporation, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment(s) thereof.

Persons Making the Solicitation

The solicitation is made on behalf of management of the Corporation. The costs incurred in the preparation and mailing of the form of proxy, the Notice of Meeting and this Information Circular will be paid by the Corporation. In addition to the mailing of these materials, proxies may be solicited by personal interviews or telephone by Directors and officers of the Corporation, who will not be remunerated therefor.

Exercise of Discretion by Proxy

The Shares represented by proxy in favour of management nominees shall be voted on any ballot at the Meeting and where the Shareholder specifies the choice with respect to any matter to be acted upon, the Shares shall be voted on any ballot in accordance with the specification so made.

In the absence of such specification, Shares will be voted in favour of the proposed resolution. The person appointed under the form of proxy furnished by the Corporation is conferred with discretionary authority with respect to amendments or variations of those matters specified in the form of proxy and Notice of Meeting. At the time of mailing of this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.

Voting of Shares – Advice to Beneficial Holders of Securities

The information set forth in this section is of significant importance to many Shareholders as a substantial number of the Shareholders hold their Shares through intermediaries such as brokers and their agents or nominees and not in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Information Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of the Shares can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered under the name of the Shareholder on the records of the Corporation. Such Shares will more likely be registered under the name of the Shareholder's broker or an agent or nominee of that broker. Shares held by brokers or their agents or nominees can only be voted for, or withheld from voting, or voted against any resolution upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers their agents or nominees are prohibited from voting Shares for their clients.

Applicable regulatory policy requires intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or agent or nominee thereof) is identical to the form of the proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. **A Beneficial Shareholder receiving a proxy from an intermediary cannot use that proxy to vote Shares directly at the Meeting, rather the proxy must be returned to the intermediary well in advance of the Meeting in order to have the Shares voted. A Beneficial Shareholder may however request the intermediary to appoint the Beneficial Shareholder as a nominee of it as a proxy holder. A Beneficial Shareholder should contact the intermediary, broker or agents and nominees thereof, should it have any questions respecting the voting of the Shares.**

INFORMATION CONCERNING THE CORPORATION

MG Capital Corporation was incorporated pursuant to the *Business Corporations Act* (Alberta) on November 9, 2017. The Corporation amended its Articles of Incorporation on March 23, 2018 to remove certain restrictions applicable to private issuers.

The head office of the Corporation is located at #201 – 135 – 10th Avenue S., Cranbrook, British Columbia V1C 2N1 and the registered office of the Corporation is located at Suite 1150, 707 – 7 Avenue SW, Calgary, Alberta T2P 3H6. The Corporation’s main telephone number is (250) 426-7808.

The Corporation is a publicly traded mineral exploration company and is pursuing opportunities relating to the acquisition and exploration of mineral property interests in British Columbia, Canada.

On November 14, 2019, the Corporation completed a reverse asset transaction pursuant to an amalgamation agreement (“**Amalgamation Agreement**”) with DLP Resources Inc. (“**DLP**”), a private mineral exploration company and 1224395 B.C. Ltd. (“**1224395 B.C.**”) (the “**Amalgamation**”), a wholly owned subsidiary of MG Capital. Pursuant to the terms of the Amalgamation Agreement, DLP amalgamated with 1224395 B.C. The amalgamated entity became a wholly-owned subsidiary of MG Capital. The Shareholders of DLP received one common share of MG Capital for every one DLP common share held immediately prior to the completion of the Amalgamation. MG Capital became 100% owner of the common shares of DLP and the Amalgamation and other transactions contemplated by the Amalgamation Agreement constituted the Qualifying Transaction of MG Capital, as defined in the policies of the TSXV. Subsequently, DLP became the wholly owned subsidiary of MG Capital.

The Shares of the Corporation were listed and posted for trading on the TSXV on November 24, 2019 under the symbol “DLP.V”. The Corporation is a reporting issuer in British Columbia and Alberta.

***NOTE: For accounting purposes, the Amalgamation is accounted for as a reverse acquisition by DLP. Legally, MG Capital owns DLP, however, for accounting and presentation purposes, DLP is the parent entity.*

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

Management of the Corporation is not aware of any material interest, whether direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, of any Director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation’s last financial year, or of any proposed nominee for election as Director of the Corporation or any associate or affiliate of any of the foregoing, other than the election of Directors as disclosed in the section entitled “Particulars of Matters to be Acted Upon”.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation is authorized to issue an unlimited number of Shares. As of **September 15, 2020**, **58,849,636** Shares were issued and outstanding, each such Share carrying the right to one vote on a ballot at the Meeting.

The Shareholders of record at the close of business on the Record Date are entitled to vote their Shares at the Meeting on the basis of one vote for each Share held, except to the extent that:

- a) such person transfers his Shares after the Record Date; and
- b) the transferee of those Shares produces properly endorsed share certificates or otherwise establishes his ownership to the Shares and makes a demand to the Registrar and Transfer Agent, not later than 10 days before the Meeting, that his or her name be included on the Shareholders’ list.

To the knowledge of the Directors or executive officers of the Corporation, no persons beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding securities of the Corporation, other than as described below:

Name and Municipality of Residence	Type of Ownership	Number of Shares	Percentage of Shares Owned
NIL			

The above information, not being within the knowledge of the Corporation, has been derived from information provided by such person or from public sources available to the Corporation.

FINANCIAL STATEMENTS

The audited **consolidated** financial statements of the Corporation **include the accounts of DLP and MG Capital (after November 14, 2019)** for the year ended **April 30, 2020**, reports of the auditor and related management discussion and analysis will be placed before the Meeting.

****NOTE: For accounting purposes, the Amalgamation is accounted for as a reverse acquisition by DLP. Legally, MG Capital owns DLP, however, for accounting and presentation purposes, DLP is the parent entity. THE CONSOLIDATED FINANCIAL STATEMENT DISCLOSURE CONTAINED IN THIS INFORMATION CIRCULAR REFLECTS A CONTINUATION OF THE FINANCIAL POSITION, COMPREHENSIVE LOSS, CHANGES IN EQUITY AND CASH FLOWS OF DLP.**

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. A special resolution is a resolution passed by at least two-thirds of the votes cast on the resolution. If there are more nominees for election as directors or appointment of the Corporation's auditor than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

EXECUTIVE COMPENSATION AND REMUNERATION OF DIRECTORS

Compensation Discussion and Analysis

The following compensation discussion and analysis ("CD&A") describes the significant elements of the Corporation's proposed executive compensation program, with particular emphasis on the process for determining compensation payable to the President and Chief Executive Officer, the Chief Financial Officer, and each of the two most highly compensated executive officers other than the President and Chief Executive Officer, and the Chief Financial Officer (collectively, the "Named Executive Officers" or "NEOs").

Based on compensation levels paid or issued, as the case may be, during 2020, the NEOs for the purposes of this CD&A is **at the date of this Information Circular**, are as follows:

- James Stypula Chief Executive Officer
- Ian Gendall: President
- Robin Sudo: Chief Financial Officer and Corporate Secretary

This CD&A reflects the current expectations of Management with respect to the Corporation's executive compensation program following the completion of the Offering. While there is no present intention to make any material changes to the Corporation's current executive compensation program, the Corporate Governance and Compensation Committee of the Board may review the Corporation's executive compensation program and, if determined appropriate, may make recommendations to the Board regarding changes to the program in light of relevant factors including the Corporation's status as a public company.

Overview

The Corporation's executive compensation program is administered by the Corporate Governance and Compensation Committee. As part of its mandate, the Corporate Governance and Compensation Committee reviews and recommends to the Board the remuneration of the NEOs. The Corporate Governance and Compensation Committee is also responsible for reviewing the Corporation's compensation policies, compensation matrix and guidelines generally. For a description of the Corporate Governance and Compensation Committee and its current members, see the Corporation's Statement of Corporate Governance Practices in "*Corporate Governance*".

Compensation Philosophy and Objectives of the Compensation Program

The Corporation's compensation program intends to seek to encourage growth in reserves, production, cash flow and earnings while focusing on achieving attractive returns on capital in order to enhance shareholder value. To achieve these objectives, the Corporation believes it is critical to create and maintain a compensation program that will attract and retain committed, highly qualified personnel by providing appropriate rewards and incentives, motivate their performance in order to achieve the Corporation's strategic objectives and align the interests of executive officers with the long-term interests of the Corporation's shareholders and enhancement in share value.

Components of Compensation

The Corporation compensates its NEOs through the following: (i) base salary; (ii) discretionary cash bonuses paid from time to time based on performance; and (iii) long-term incentive compensation comprised of grants of Options at levels which the Corporate Governance and Compensation Committee believes are reasonable in light of the performance of the Corporation.

Base Salary

Base salaries are intended to compensate each NEO's core competencies, skills, experience and contribution to the Corporation. The Corporate Governance and Compensation Committee believes that base salaries should be competitive but total compensation should be weighted toward variable, long term performance-based components.

Cash Bonus

Discretionary cash bonuses are intended to motivate and reward the accomplishment of specific business and operating objectives within a defined period. Cash bonuses are paid at the discretion of the Board on the recommendation of the Corporate Governance and Compensation Committee, based upon the achievement of certain corporate objectives. Cash bonuses awarded by the Corporate Governance and Compensation Committee are intended to be generally competitive with the market. The Corporate Governance and Compensation Committee considers the Corporation's performance during the year with respect to the qualitative goals in the context of market and economic trends and forces, extraordinary internal and market-driven events, unanticipated developments and other extenuating circumstance in making bonus determinations.

No cash bonus payments were made to the NEOs during the financial year ended April 30, 2020. The Corporate Governance and Compensation Committee meets with management of the Corporation in the first quarter of each year to review the proposed yearly base bonus award target (anticipated to be determined by reference to a target percentage of base salary) and will make recommendations to the Board regarding the approval of same. Similar to the determination of base salaries, consideration will be given to the Corporation's compensation peer group when determining the final amount of any cash bonuses to be paid.

Proposed cash bonuses for NEOs, excluding the President and Chief Executive Officer, will be recommended by the President and Chief Executive Officer, reviewed by the Corporate Governance and Compensation Committee, and, if deemed appropriate, recommended to the Board for approval. Any cash bonus to be paid to the President and Chief Executive Officer will be determined by the Board based on recommendations received from the Corporate Governance and Compensation Committee.

Option Awards

The Option Plan is a key instrument used by the Corporation in attracting and retaining top performing people with the entrepreneurial characteristics needed to further the Corporation's objectives and prospects for growth. The Corporation believes that long-term performance is achieved through an ownership culture that encourages performance by the Corporation's Directors, officers, employees and consultants through the use of Option grants. In order to attract and retain executives and other key employees, the Corporation has provided in the past, and expects to continue to provide in the future, long-term incentive awards through Option grants.

On **May 9, 2019**, the date of the Corporation's last shareholders meeting, the Shareholders approved the Corporation's "rolling" Option Plan, attached to this Information Circular as Schedule "B", which allows the Corporation to grant Options to acquire such number of Shares equal to (together with Shares reserved for issuance pursuant to any other security based compensations arrangement) a maximum of 10% of the aggregate of all issued and outstanding Shares on the date of grants to its Directors, officers and other employees. See "*Securities Authorized for Issuance under Equity Compensation Plan*". Because the Option Plan is a "rolling" plan, in accordance with the requirements of the TSXV, every year the Option Plan must be approved by the Corporation's Shareholders. See "*Particulars of Matters to be Acted Upon – Annual Approval of the Stock Option Plan*".

The Board and the Compensation Committee believes that the grant of Options to the Directors and executive officers and share ownership by such Directors and executive officers serves to motivate achievement of the Corporation's long-term strategic objectives and the result will benefit all Shareholders of the Corporation.

The Board reviews the recommendation of the executive officers regarding proposed Option awards to officers and Board members. The board members base their decisions upon the seniority, level of responsibility and the contribution of each individual toward the Corporation's goals and objectives. In some cases, Option awards are proposed as a means of enticing personnel into the employ of the Corporation.

Consideration is given to the overall number of Options that are outstanding relative to the number of outstanding Shares of the Corporation in determining whether to make any new grants of Options, and the size of such grants. In determining new grants of Options, consideration is given to prior grants as well as the terms of currently outstanding Options.

As of the year ended **April 30, 2020**, **no Options** were issued and outstanding. Subsequent to the year end and as of the date of this Information Circular, **1,150,000 Options** were issued and outstanding.

Hedging Activities

Although the Corporation has no formal hedging policy in place with respect to purchases of securities by NEOs or directors designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by such individuals, to the Corporation's knowledge, no NEO or director has hedged the economic value of his direct or indirect interests in the market value of the Corporation's Common Shares so held or granted as compensation.

Risk Assessment and Oversight

The Board and Corporate Governance and Compensation Committee are keenly aware of the fact that compensation practices can have unintended risk consequences. The Corporate Governance and Compensation Committee will continually review the Corporation's compensation policies to identify any practice that might encourage an employee to expose the Corporation to unacceptable risks. At the present time, the Corporate Governance and Compensation Committee is satisfied that the current executive compensation program does not encourage the Corporation's executives to expose the business to inappropriate risk. The Corporate Governance and Compensation Committee takes a conservative approach to executive compensation rewarding individuals for the success of the Corporation once that success has been demonstrated and incenting them to continue that success through the grant of long-term incentive awards. In addition, the number of options a particular NEO is entitled to receive is limited by the Option Plan.

NEO Compensation

The following table sets forth the compensation paid by the Corporation to the current NEOs during the year ended **April 30, 2020**.

Name and Principal Position ⁽²⁾⁽¹¹⁾	Year	Salary ⁽²⁾ (\$)	Share-based Awards ⁽³⁾ (\$)	Stock Option Awards ⁽¹⁾⁽⁷⁾⁽⁸⁾ (\$)	Non-Equity Incentive Plan Compensation ⁽⁴⁾ (\$)		Pension Value (\$)	All Other Compensation ⁽⁵⁾⁽⁶⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-term Incentive Plans			
James Stypula ⁽⁹⁾ Chief Executive Officer	2020	\$84,000	Nil	Nil	Nil	Nil	Nil	Nil	\$84,000
Ian Gendall ⁽⁷⁾⁽¹⁰⁾ President	2020	\$Nil	Nil	Nil	Nil	Nil	Nil	Nil	\$Nil
Robin Sudo ⁽¹¹⁾ Chief Financial Officer and Corporate Secretary	2020	\$68,600	Nil	Nil	Nil	Nil	Nil	Nil	\$68,600

Notes:

- (1) Reflects the fair value of Options issued under the Corporation's Option Plan. The value shown is estimated to be the fair value at the grant date calculated using the Black-Scholes Option pricing model with the assumptions disclosed in the notes to the consolidated financial statements for the year ended April 30, 2020. The aggregate of the fair value set out in the Corporation's consolidated financial statements for the year ended April 30, 2020 is \$Nil as the Corporation had no issued and outstanding Options. The individual fair value amounts are calculated based on the pro rata number of Options held by each NEO.
- (2) Represents salary paid to NEO's for the year ended April 30, 2020.
- (3) The Corporation does not currently provide for any non-equity incentive plan compensation to NEOs.
- (4) The Corporation does not currently provide for, or contribute to, either a defined benefit plan or defined contribution plan on behalf of the NEOs.
- (5) The value of perquisites to be received by NEO's during 2020, including property or other personal benefits provided to NEO's that are not generally available to all employees, were not (in aggregate) \$50,000 or greater or more than 10% of each NEO's annualized salaries for 2020.
- (6) Represents compensation received by the NEOs under the compensation employee profit sharing plan.
- (7) During the year end, no Options were issued and outstanding. Subsequent to the year end, on June 1, 2020, the Corporation granted 1,000,000 Options to a NEO of the Corporation, with an exercise price of \$0.15 and exercisable until June 1, 2025.
- (8) Options terminate 90 days following the date an option holder ceases to be an officer or consultant of the Corporation.
- (9) Appointed CEO on November 14, 2019. During the year-ended April 30, 2020, Mr. Stypula held no Options. Mr. Stypula entered into an employment agreement with the Corporation effective January 1, 2020 whereby Mr. Stypula receives \$8,500 per month for his services as the Corporation's CEO.
- (10) Appointed President on June 1, 2020. Pursuant to the terms of an Employment Agreement between Mr. Gendall and the Corporation dated June 1, 2020, Mr. Gendall received 1,000,000 Options with an exercise price of \$0.15 and exercisable until June 1, 2025 and receives \$12,500 per month for his services as the Corporation's President.
- (11) Appointed CFO and Corporate Secretary on November 14, 2019. During the year ended April 30, 2020, Ms. Sudo held no Options. Ms. Sudo entered into an employment agreement with the Corporation dated January 1, 2020 whereby Ms. Sudo receives \$8,500 per month for her services as the Corporation's CFO and Corporate Secretary.

Incentive Plan Awards - Outstanding Options

The following table sets forth information with respect to the outstanding Options granted under the Option Plan to the NEO's as at the date of **April 30, 2020**.

Name	Number of Securities Underlying Unexercised Options(#)⁽¹⁾	Option Exercise Price(\$)	Option Expiration Date
Nil			

(1) As of the year-ended April 30, 2020, no Options were issued and outstanding.

Options - Value Vested or Earned

The following table sets forth the aggregate dollar value of option-based awards that vested during the year ended **April 30, 2020** for NEO's of the Corporation.

Name	Option-based awards - Value vested during the year (\$)⁽¹⁾⁽²⁾
Nil	

Notes:

- (1) The value of option-based awards vested during the year ended April 30, 2020 is the value that would have been realized if the options had been exercised on the vesting date and is calculated as the difference between the price of the Common Shares on the TSXV on the exercise date and the stock option exercise price, being Nil as the Corporation has no issued and outstanding Options.
- (2) As of the year-ended April 30, 2020, no Options were issued and outstanding.

Long-Term Incentive Plans

The Corporation's only long-term incentive plan is the Option Plan. A maximum of 10% of the issued and outstanding Common Shares of the Corporation are reserved for issuance pursuant to the Option Plan. As of the year ended April 30, 2020, no Options were issued and outstanding. The following table shows all outstanding Options **held by the directors and officers** of the Corporation as of the date of this Information Circular.

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)⁽²⁾	Option Exercise Price (\$)	Option Expiration Date	Value of unexercised in-the-money options⁽¹⁾ (\$)
Ian Gendall⁽³⁾ President	1,000,000	\$0.15	June 1, 2025	\$80,000
Don Njegovan⁽⁴⁾ Director	150,000	\$0.29	July 30, 2025	\$Nil
TOTAL:	1,150,000			

Notes:

- (1) Aggregate dollar amount of in-the-money unexercised stock options held as of the date of this Information Circular is calculated based on the difference between the market value of the Shares underlying the stock options as at April 30, 2020, being \$Nil as no Options were issued and Outstanding and as at the date of this Information Circular, and the stock option exercise price.
- (2) As of the date of this Information Circular, 1,150,000 Options are outstanding.
- (3) Subsequent to the year end, Mr. Gendall was appointed President on June 1, 2020 and received 1,000,000 Options exercisable at \$0.15 and which expire on June 1, 2025.
- (4) Appointed a Director of the Corporation on July 30, 2020, subsequent to the year-end. Mr. Njegovan received 150,000 Options exercisable at \$0.29 and which expire on July 30, 2025. The Options vest over a 24-month period with one-third vesting immediately, one-third after 12 months and one-third after 24 months.

Termination and Change of Control Benefits

Other than as disclosed below, the Corporation does not have any employment agreements in place with the Named Executive Officers. There are no change of control benefits in place other than four consulting agreements which contain termination and change of control provisions.

On January 1, 2020 the Corporation entered into an employment agreement with Mr. James Stypula, CEO of the Corporation. On January 1, 2020 the Corporation entered into an employment agreement with Ms. Robin Sudo, CFO of the Corporation. Subsequent to year end, on June 1, 2020, the Corporation entered into an employment agreement with Mr. Ian Gendall, President of the Corporation.

Director Compensation

The Corporation does not pay cash compensation (including salaries, director's fees, commissions, bonuses paid for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned by the directors for services rendered) to the directors for services rendered as directors only. No other compensation is paid by the Corporation to directors, however, the directors may receive reimbursements for out-of-pocket expenses incurred in connection with attending Board meetings, audit committee meetings or information meetings.

Director Compensation - Option-Based Awards and Incentive Plan Compensation

The following table sets forth information with respect to outstanding Options granted to the **directors** of the Corporation (who are not also Named Executive Officers) under the Option Plan as of **April 30, 2020**. There are no outstanding share-based awards.

Name	Option-Based Awards			Value of Unexercised In-the-Money Options (\$) ⁽¹⁾
	Number of Securities Underlying Unexercised Options (#) ⁽²⁾	Option Exercise Price (\$)	Option Expiration Date	
Ian Gendall ⁽³⁾ President	Nil	Nil	Nil	Nil
Don Njegovan ⁽⁴⁾ Director	Nil	Nil	Nil	Nil

Notes:

- (1) The value of option-based awards vested during the year is the value that would have been realized if the options had been exercised on the vesting date and is calculated as the difference between the price of the Shares on the TSXV on the exercise date and the stock option exercise price.
- (2) As of April 30, 2020, no Options were issued and outstanding. As of the date of this Information Circular, 1,150,000 Options are outstanding.
- (3) Subsequent to the year end was appointed President on June 1, 2020. Mr. Gendall received 1,000,000 Options exercisable at \$0.15 and which expire on June 1, 2025.
- (4) Appointed a Director of the Corporation on July 30, 2020, subsequent to the year end. On July 30, 2020, Mr. Njegovan received 150,000 Options exercisable at \$0.29 and which expire on July 30, 2025. The Options vest over a 24-month period with one-third vesting immediately, one-third after 12 months and one-third after 24 months.

AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

The purposes of the audit committee of the Corporation (the “**Audit Committee**”) is to assist the Board's oversight of: the integrity of the Corporation's financial statements; the Corporation's compliance with legal and regulatory requirements; the qualifications and independence of the Corporation's independent auditors; and the performance of the independent auditors and the Corporation's internal audit function. NI 52-110 relating to the composition and function of audit committees applies to every TSXV listed company.

Audit Committee Charter

Pursuant to NI 52-110, the Corporation is required to have a written charter which sets out the duties and responsibilities of its audit committee. The charter is attached hereto as “Schedule A”.

Composition of the Audit Committee

The Audit Committee is comprised of the following members:

Name and Office if Any	Independent	Financially Literate
James Stypula	No	Yes
Richard Zimmer	Yes	Yes
William Bennett (<i>Chairman</i>)	Yes	Yes

Relevant Education and Experience

Each member of the Audit Committee has a general understanding of the accounting principles used by the Corporation to prepare its financial statements and will seek clarification from the Corporation's auditors, where required. Each member of the Audit Committee also has direct experience in understanding accounting principles for private and reporting companies, general experience in preparing, auditing, analyzing or evaluating financial statements similar to those of the Corporation, and general understanding of internal controls and the procedures for financial reporting. Each member will receive the necessary training or enrollment in the necessary continuing education course(s) to ensure that their abilities and understanding of any change in relevant accounting principles and/or financial reporting requirements are maintained at a level sufficient to provide the necessary oversight as part of their responsibilities to the Audit Committee.

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

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 (Exemptions).

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services other than the general requirements under the heading "External Audit" of the Audit Committee Charter which states that the Audit Committee must pre-approve any non-audit services to the Corporation and the fees for those services.

External Auditor Service Fees (By Category)

The aggregate fees billed by the Corporation's external auditors in the last fiscal year for audit and non-audit related services are as follows:

Financial Year ⁽¹⁾⁽⁶⁾	Audit Fees ⁽²⁾⁽⁵⁾	Audit Related Fees	Tax Fees ⁽³⁾	All Other Fees ⁽⁴⁾
2020	\$24,950	\$Nil	\$5,393	\$14,200

Notes:

- (1) Shown in the year that the fees were invoiced.
- (2) Audit fees were for professional services rendered by DeVisser Gray LLP for the audit of the Corporation's April 30, 2020 consolidated financial statements. Audit fees include fees necessary to perform the annual audit and quarterly review of the Corporation's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the consolidated financial statements. Audit fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, review of securities filings and statutory audits.
- (3) Tax Fees include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) All Other Fees include all other non-audit services. These include services provided to the Corporation in connection the adoption of and transition to International Financial Reporting Standards by the Corporation as its accounting principles.
- (5) Audit fees accrued, invoiced and paid in 2020.
- (6) DeVisser Gray LLP became the Auditors of the Corporation on April 20, 2020.

Exemption

As a venture issuer within the meaning of NI 52-110, the Corporation is relying upon the exemption provided by section 6.1 of NI 52-110, which exempts venture issuers from the requirements of Part 3, *Composition of the Audit Committee* and Part 5, *Reporting Obligations* of NI 52-110.

CORPORATE GOVERNANCE

General

Corporate governance refers to the policies and structure of the board of directors of a company, whose members are elected by and are accountable to the shareholders of the company. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and the adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision making.

Board of Directors

Pursuant to National Instrument 58-101, a director is independent if the director has no direct or indirect relationship with the issuer which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment. Certain directors are deemed to have a material relationship with the issuer by virtue of their position or relationship with the Corporation. The Board is currently comprised of five (5) members. Currently four (4) directors are independent. In assessing whether a director is independent for these purposes, the circumstances of each director have been examined in relation to a number of factors.

The independent members of the Board are William Bennett, Richard Zimmer, Carol Li and Don Njegovan. The non-independent member of the Board is James Stypula, being the Corporation's Chief Executive Officer.

Directorships

Some of the existing directors of the Corporation have also been directors of other issuers who are reporting in one or more Canadian jurisdictions as follows:

Name	Name of Reporting Issuer	Exchange or Market
James Stypula	Ascot Resources Ltd.	TSX
	Magellan Minerals Ltd.	Ceased Reporting Issuer (<i>formerly TSXV</i>)
William Bennett	Ascot Resources Ltd.	TSX
	Kutcho Copper Corp.	TSXV
	Eagle Plains Resources Ltd.	TSXV
	Liberio Copper Corporation	TSXV
Richard Zimmer	Ascot Resources Ltd.	TSX
	Alexco Resource Corp.	TSX
	Capstone Mining Inc.	TSX
Carol Li	Strikepoint Gold Inc.	TSXV
Don Njegovan	Ascot Resources Ltd.	TSX
	Cornish Metals Inc.	TSXV

Orientation and Continuing Education

The Board is responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board notes that it has benefited from the experience and knowledge of individual members of the Board in respect of the evolving governance regime and principles. The Board ensures that all directors are apprised of changes in the Corporation's operations and business.

Ethical Business Conduct

The Board is apprised of the activities of the Corporation and ensures that it conducts such activities in an ethical manner. The Board has not adopted a written code of business conduct and ethics, however, the Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct. In particular, the Board ensures that directors exercise independent judgment in considering transactions and certain activities of the Corporation by holding in camera sessions of independent directors, when applicable, and by having each director declare his or her interest in a particular transaction and abstaining from voting on such matters, where applicable.

Nomination of Directors

The Board is largely responsible for identifying new candidates for nomination to the Board and does not have a separate nominating committee. The process by which candidates are identified is through recommendations presented to the Board, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation.

Compensation

The Board is responsible for determining the compensation of the directors and Chief Executive Officer of the Corporation. The process by which compensation is determined is discretionary and may include an informal comparative analysis of the market for such services and recommendations presented to the Board. The Board reviews and discusses proposals received by the Chief Executive Officer of the Corporation regarding the compensation of management and the directors. The Corporation does not use benchmarking or maintain specific performance goals in determining compensation of the directors and Chief Executive Officer of the Corporation.

Other Board Committees

Compensation Committee

The corporate governance and compensation committee of the Board (the “Corporate Governance and Compensation Committee”) currently consists of James Stypula, William Bennett and Richard Zimmer. The Compensation Committee consists of two independent members of the Board and, on behalf of the Board, is responsible for director compensation, including reviewing and determining director compensation. The Compensation Committee reviews the compensation of members of the Board on an annual basis taking into account compensation paid by other issuers of similar size and activity.

Assessments

The Board and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution by the independent members of the Board. The Board encourages discussion amongst the Board as to evaluation of the effectiveness of the Board as a whole and of each individual director. All directors are free to make suggestions for improvement of the practice of the Board at any time and are encouraged to do so.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table sets forth information in respect of compensation plans under which equity securities of the Corporation are authorized for issuance, as at the end of the financial year ended **April 30, 2020**:

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
Equity compensation plans approved by security holders	Nil ⁽¹⁾⁽²⁾	Nil	Nil
Equity compensation plans not approved by security holders	Nil	Nil	Nil
TOTAL	Nil⁽³⁾		Nil⁽⁴⁾

Note:

- (1) Shares issuable upon exercise of outstanding Options.
- (2) During the year ended April 30, 2020, there were no Options outstanding.
- (3) Subsequent to the year end and as at the date of this Information Circular, 1,150,000 Options were outstanding.
- (4) The number of Options available for future issuance is 4,734,964.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Other than as disclosed below, management of the Corporation is not aware of any indebtedness outstanding to the Corporation or its subsidiaries by Directors, officers, employees or former executive officers as at the end of the most recently completed financial year ended April 30, 2020 or up to the Record Date and thereafter.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed in the Information Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation, any proposed Director or any associate or affiliate of any informed person or proposed Director, in any transaction since the commencement of the Corporation’s most recently completed financial year ended April 30, 2020 or in any proposed transaction which has materially affected or would materially affect Corporation, other than the related party transactions referred to in the consolidated financial statements for the year ended April 30, 2020.

MANAGEMENT CONTRACTS

Management functions of the Corporation are substantially performed by officers of the Corporation and have not been performed, to any substantial degree, by any other person with whom the Corporation has contracted. The Corporation has management consulting and/or employment agreements between the Corporation, James Stypula, being the Corporation’s Chief Executive Officer, Ian Gendall, being the Corporation’s President, and Robin Sudo, being the Corporation’s Chief Financial Officer and Corporate Secretary.

PARTICULARS OF MATTERS TO BE ACTED UPON

Fix the Number of Directors

The Shareholders will be asked to consider a resolution fixing the number of directors to be elected at the Meeting. Management proposes that the number of directors to be elected at the Meeting be set at five (5). There are presently five (5) directors of the Corporation, each of whom retires from office at the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of setting the number of directors to be elected at the Meeting at five (5).

Election of Directors

The affairs of the Corporation are managed by the Directors who are elected annually for a one year term at each annual general meeting of the Shareholders and hold office until the next annual general meeting, or until their successors are duly elected or appointed or until a Director vacates his office or is replaced in accordance with the by-laws of the Corporation.

The Shareholders are entitled to elect the Directors. The persons named below have been nominated for election and have consented to such nomination.

Unless authority to vote on the election of Directors is withheld, it is the intention of the person named in the accompanying instrument of proxy to vote for the election of such nominees as Directors. If, prior to the Meeting, any vacancies occur in the slate of proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote for the election of any substitute nominee or nominees recommended by management of the Corporation and for the remaining proposed nominees.

The following are the names, occupations, residences and number of Shares held by each of the proposed nominees for election as Directors:

Name and Municipality of Resident	Position with the Corporation and date First Elected or Appointed	Principal Occupation for the Past 5 Years	Number and Percentage of Voting Shares Beneficially Owned, Directly or Indirectly, or Controlled by the Proposed Director
James Stypula ⁽¹⁾ Cranbrook, BC	CEO and Director (Nov 14, 2019)	Professional director; Director of Ascot Resources Ltd. (since 2017); Former director of Magellan Minerals Ltd. (2005 – 2016).	3,377,778
William Bennett ⁽¹⁾⁽²⁾ Cranbrook, BC	Director (Nov 14, 2019)	Professional director; Formerly BC MLA for 16 years; Formerly Minister, Energy & Mines; Currently Director of Ascot Resources Ltd. (since 2018), Kutcho Copper Corp. (since 2017), Eagle Plains Resources Ltd. (since 2017) and Libero Copper Corporation (since 2019); Former Director of Surge Exploration Inc. (to 2019).	3,555,556
Richard Zimmer ⁽¹⁾ North Vancouver, BC	Director (Nov 14, 2019)	Professional Director; Currently Director of Ascot Resources Ltd. (since 2017), Capstone Mining Corp. (since 2011) and Alexco Resource Corp. (since 2012).	3,555,556
Carol Li Burnaby, BC	Director (July 10, 2020)	Canadian Chartered Professional Accountant; CFO of Ascot Resources Ltd. (since November 2017); Formerly VP Finance for KGHM International Ltd. (2012–2017); Corporate Controller for Quadra/Quadra FNX Mining Ltd. (2004-2012). Director of Strikepoint Gold Inc. (Since June 2019).	3,555,556
Don Njegovan Toronto, ONT	Director (July 30, 2020)	Chief Operating Officer of Osisko Mining Inc. (since September 2019); Former Director of St. Andrews Goldfields (February 2015 until January 2016 when the company was taken over by Kirkland Lake Gold); Director of Ascot Resources Ltd. (since January 2018) and Cornish Metals Inc. (since October 2018).	Nil

Notes:

- (1) Member of the Audit Committee.
- (2) Chairman of the Audit Committee.

Corporate Cease Trade Orders

No director of the Corporation has, within the ten years prior to the date of this Information Circular, been a director or executive officer of any company that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity) was the subject of a cease trade order, an order similar to a cease trade order, or an order that denied the company access to any exemption under securities legislation for a period of more than 30 consecutive days.

Bankruptcies

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

Penalties or Sanctions

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Appointment of Auditor

The Shareholders will be asked at the Meeting to vote for the appointment of DeVisser Gray LLP, Chartered accountants as the auditors of the Corporation, for the ensuing year and to authorize the Directors to fix their remuneration. DeVisser Gray LLP became the auditors of the Corporation on April 20, 2020.

Unless otherwise directed, Shares representing proxies in favour of management nominees will be voted in favour of the appointment of DeVisser Gray LLP as auditors of the Corporation, to hold office until the next annual general meeting of the Shareholders, or until their successors are duly elected or appointed, and to authorize the Board to fix their remuneration.

Annual Approval of Stock Option Plan

The Corporation has in place a rolling stock option plan whereby the Directors of the Corporation may allocate a maximum of 10% of the issued and outstanding Shares from time to time for issuance under the Option Plan. The Option Plan was last approved by the Shareholders on **May 9, 2019**. There have not been any amendments made to the Option Plan since that time, other than administrative amendments that do not affect the rights conveyed under the Option Plan.

The highlights of the Option Plan are as follows:

- (a) Options may be granted to Directors, employees, management company employees and consultants;
- (b) the exercise price of Options granted shall be determined by the Board in accordance with the policies of the TSXV;
- (c) the Directors may allocate a maximum of 10% of the issued and outstanding Shares on a rolling basis for the issuance of Options; no single participant may be issued Options representing greater than five (5%) percent of the number of outstanding Shares in any 12 month period; the number of Shares reserved for issuance to any one consultant of the Corporation may not exceed two (2%) percent of the number of outstanding Shares in any 12 month period;
- (d) the aggregate number of Options granted to persons employed in investor relation activities must not exceed two (2%) percent of the outstanding Shares in any 12 month period unless the TSXV permits otherwise;
- (e) the Board may determine the term of the Options, but the term shall in no event be greater than ten years from the date of issuance;
- (f) generally, the Options expire 90 days from the date on which a participant ceases to be a Director, officer, employee, management company employee or consultant of the Corporation; and
- (g) terms of vesting of the Options, the eligibility of Directors, officers, employees, management company employees and consultants to receive Options and the number of Options issued to each participant shall be determined at the discretion of the Board, subject to the policies of the TSXV.

Since the Option Plan is a "rolling plan", annual shareholder approval of the Option Plan, as amended, is required by the TSXV. In accordance with the policies of the TSXV, the Corporation requests Shareholders to consider, and if thought fit, approve an ordinary resolution substantially in the form set forth below:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION OF THE SHAREHOLDERS THAT:

1. *as an ordinary resolution, pursuant to and in compliance with the policies of the TSX Venture Exchange and subject to regulatory approval, the Corporation’s rolling stock option plan is hereby approved, whereby a maximum of 10% of the common shares of the Corporation will be reserved for issuance under the stock option plan in any 12 month period, provided that the number of listed securities that may be reserved for issuance under stock options granted to any one individual or insiders of the Corporation shall not exceed five (5%) percent of the Corporation’s issued and outstanding listed securities, and the same is hereby approved;*
2. *the form of the stock option plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the board of Directors acting in the best interests of the Corporation without requiring further approval of the shareholders of the Corporation; and*
3. *any one director or officer of the Corporation be and is hereby authorized and directed, upon the board of Directors resolving to give effect to this resolution, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to the provisions of this resolution.”*

To be effective, the resolution must be passed by at least a majority of the votes cast at the Meeting. **Unless otherwise directed, it is intended that the Shares represented by the proxies hereby solicited will be voted in favour of the approval of the Option Plan.**

Approval of Name Change

The Directors wish to obtain shareholder approval to have the authority and discretion to change the name of the Corporation at some point over the next 12 months. To avoid the expense of convening another meeting of the Shareholders, the Directors are seeking the approval of a special Shareholders resolution authorizing the Directors to change the name of the Corporation to any such a name as may be acceptable to the Board, the TSX Venture Exchange, and Alberta Corporate Registries.

Accordingly, the Shareholders will be asked to approve the following special resolution:

“BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

- (1) *in the event that the Board of Directors considers that the name of the Corporation should be changed, the Board is hereby authorized to change the name of the Corporation to any name the Board of Directors deems appropriate and to amend the Articles of the Corporation accordingly anytime over the next 12 months to reflect such name change; and*
- (2) *the Board of Directors of the Corporation shall have the sole and complete discretion on whether or not to carry out the name change and notwithstanding shareholder approval of same, there shall be no obligation to proceed with such name change.”*

In the event that management determines a new name prior to the Meeting, the new name will be inserted in the special resolution presented to the Shareholders for their consideration. **The persons named in the enclosed Proxy furnished by the Corporation intend, unless otherwise directed, to vote in favour of the special resolution to change the name of the Corporation.** The effective date of the change of name will be the date of issuance of a certificate of amendment in respect of the name change under the *Business Corporations Act* (Alberta).

Item 5 – Continuation under the *Business Corporations Act* (British Columbia)

Given that the Corporation's business activities and head office address are situated in British Columbia, the Corporation intends to apply for the discontinuance of the Corporation from the Province of Alberta and to continue the Corporation under the *Business Corporations Act* (British Columbia) (the "**BC Act**").

The Corporation presently exists under the *Business Corporations Act* (Alberta) (the "**Alberta Act**"). Shareholders will be asked at the Meeting to consider and, if thought fit, to pass a special resolution (the "**Continuation Resolution**") designed to effect the continuation (the "**Continuation**") of the Corporation into British Columbia, whereafter the Corporation will be subject to the BC Act. In addition to Shareholder approval, continuation into another jurisdiction is subject to the approval of the Alberta Registrar (on being satisfied that the Continuation will not adversely affect creditors or shareholders of the Corporation) and the TSX Venture Exchange (the "**Exchange**").

The BC Act adopts many provisions similar to those contained in corporate legislation elsewhere in Canada, including Alberta, and will permit the Corporation to take advantage of modernized corporate law procedures and requirements.

If the Continuation is approved, Shareholders will also be approving:

1. a "Notice of Articles", which will provide that the Corporation's authorized capital be comprised of:
 - (a) an unlimited number of common shares without par value; and
 - (b) an unlimited number of preferred shares without par value, issuable in series, with special rights and restrictions attached; and
2. new articles (the "**Articles**") under the BC Act, which set rules for its conduct, similar to its existing bylaws under the Alberta Act, save as described herein.

Upon completion of the Continuation, the Alberta Act will cease to apply to the Corporation and the Corporation will thereupon become subject to the BC Act, as if it had been originally incorporated as a British Columbia company. The Continuation will not result in any change in the business of the Corporation or its assets, liabilities, net worth or management or its share capital.

The Continuation will give rise to certain material changes in the corporate laws applicable to the Corporation. See the section titled "Comparison between BC and Alberta Corporate Law". The Continuation is not a reorganization, amalgamation or merger. Shareholders' shareholdings will not be altered by the Continuation (other than with respect to shareholders dissenting to the Continuation Resolution). See "Rights of Dissent to the Continuation" below for more information. The proposed Notice of Articles and Articles, which will govern the affairs of the Corporation if the Continuation Resolution is approved by Shareholders, are available for viewing by request to the Corporation. The proposed Notice of Articles and Articles will also be available for inspection at the Meeting. The Corporation believes the major changes between its existing by-laws under the Alberta Act and its new Articles under the BC Act will be as follows:

- (a) The Corporation will be permitted to eliminate a class or series of shares if none of the shares of the class or series of shares are allotted or issued by way of a directors' resolution.
- (b) The Corporation will be permitted to change its name by way of a directors' resolution.
- (c) The residency requirements for directors are eliminated. This change will allow the Corporation to select the best possible directors with the most expertise, regardless of their residency.

The proposed Continuation gives rise to a right of dissent under Section 191 of the Alberta Act (see "Shareholders Rights of Dissent to the Continuation" below), attached to this Information Circular as Schedule "C". If the right of dissent is exercised by any of the Shareholders entitled to do so, and the Corporation completes the Continuation, the Corporation would be required to purchase for cash the dissenting shareholders' shares in the capital of the Corporation at the fair value of those shares, as at the close of business on the last business day before the special resolution approving the Continuation is adopted, subject to the Alberta Act.

Comparison between BC and Alberta Corporate Law

The following is only a summary of certain differences between the BC Act, the statute that will govern the corporate affairs of the Corporation upon the Continuation, and the Alberta Act, the statute which currently governs the corporate affairs of the Corporation. Notwithstanding the alteration of Shareholders' rights and obligations resulting from the continuation under the BC Act and adoption of the proposed Articles, the Corporation will still be bound by the rules and policies of the Exchange, the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta Securities Commission, as well as other applicable securities legislation. Nothing that follows should be construed as legal advice to any particular Shareholder, all of whom are advised to consult their own legal advisors respecting all of the implications of the Continuation.

Charter Documents

Under the BC Act, the charter documents consist of a "notice of articles", which sets forth the name of the Corporation and the amount and type of authorized capital and "articles" (collectively, the "**Charter Documents**") which govern the management of the Corporation. The notice of articles is filed with the Registrar of Companies and the articles are filed only with the Corporation's registered and records office.

Under the Alberta Act, the Corporation has "articles", which set forth the name of the Corporation and the amount and type of authorized capital, the restrictions on share transfers (if any), the number of directors, and any restrictions on business. Under the Alberta Act, companies also have "by-laws" which govern the management of the Corporation. The articles are filed with the Registrar of Corporations and the by-laws are filed only with the Corporation's registered and records office.

Ability to Set Necessary Levels of Shareholder Consent

Under the BC Act, a company, in its articles, can establish levels for various shareholder approvals (other than those prescribed by the BC Act). The percentage of votes required for a "special resolution" can be specified in the articles and may be no less than 2/3 and no more than 3/4 of the votes cast. The Alberta Act does not provide for flexibility on shareholder approvals, which are either ordinary resolutions passed by a majority of the votes cast or, where specified in the Alberta Act, special resolutions which must be passed by 2/3 of the votes cast.

The Articles that will be adopted by the Corporation if the Continuation is completed will provide that the percentage of votes required for a special resolution is no less than 2/3 of the votes cast.

Amendments to the Charter Documents of the Corporation

The Alberta Act, which currently governs the Corporation, requires a special resolution passed by a majority of not less than two-thirds of the votes cast on the resolution to make fundamental changes to the Corporation's articles; changes to the Corporation's by-laws requires only an ordinary resolution passed by a simple majority of the votes cast on the resolution.

Generally, under the BC Act, a company must not alter its notice of articles or articles unless it is authorized to do so: (a) by the type of resolution specified in the BC Act; (b) if the BC Act does not specify a type of resolution, then by the type of resolution specified in the company's articles; or (c) if neither the BC Act nor the articles specify the type of resolution, then by special resolution.

Under the BC Act, and unless otherwise provided in a company's articles, a "special resolution" usually refers to a majority of at least two-thirds (2/3) of the votes cast on the resolution and an "ordinary resolution" refers to a simple majority of the votes cast on the resolution.

Sale of Corporation's Undertaking

Under the BC Act, a company may sell, lease or otherwise dispose of all or substantially all of the undertaking of the company only if it does so in the ordinary course of its business or if it has been authorized to do so by a special resolution. The BC Act does not specify whether holders of shares that do not otherwise carry a right to vote may vote on any proposed sale, lease or disposition of all or substantially all of the undertaking of a company.

Under the Alberta Act, a company may sell, lease or exchange all or substantially all of the property of the company (other than in the ordinary course of business of the company) only if it has been authorized by a special resolution. Each share of the company carries the right to vote in respect of the sale, lease or exchange whether or not such share otherwise carries the right to vote and, where a class or series of shares is affected by the sale, lease or exchange in a manner different from another class or series, the holders of shares of that affected class or series are entitled to vote separately on the transaction.

Rights of Dissent and Appraisal

The BC Act provides that shareholders who dissent to certain actions being taken by a company may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the 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;
- (f) authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution; or
- (h) any court order that permits dissent.

The Alberta Act contains similar dissent rights. In Alberta, the dissent right is applicable where the Corporation proposes to:

- (a) amend its articles to add, change or remove any provision restricting the issue or transfer of shares, to add, change or remove any restriction on the business that the corporation may carry out, or to add or remove an express statement establishing the unlimited liability of the shareholders;
- (b) amalgamate with another company;
- (c) be continued under the laws of another jurisdiction; or
- (d) sell, lease or exchange all or substantially all of its property.

Oppression Remedies

Under the BC Act, a shareholder (which term includes any person whom the court considers to be an appropriate person to make an application) of a company has the right to apply to court on the grounds that:

- (a) the affairs of the company are being or have been conducted, or that the powers of the directors are being or have been exercised, in a manner oppressive to one or more of the shareholders, including the applicant, or some act of the company has been done or is threatened, or
- (b) some resolution of the shareholders or 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 of the shareholders, including the applicant.

On such an application, the court may make such order as it sees fit including, but not limited to, an order to prohibit any act proposed by the company or an order to vary or set aside any transaction or resolution.

The Alberta Act contains rights that are substantially broader in that they are available to a larger class of complainants. The right under the Alberta Act extends to directors, officers or security holders (whether the security is legally or beneficially owned), former directors, officers or security holders (whether the security is legally or beneficially owned) of a company or any of its affiliates, creditors of the company (in the discretion of the court), or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy. The court can make an order in respect of a company or any of its affiliates, where any act or omission of the company or its affiliates effects a result, or the business or affairs of the company or its affiliates are or have been carried on or conducted in a manner, or the powers of the directors of the company or any of its affiliates are or have been exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interest of, any security holder, creditor, director or officer. As is the case under the BC Act, on such an application, the court may make such an order as it sees fit, including, but not limited to, an order restraining the conduct complained of or an order compensating the complainant.

Shareholder Derivative Actions

Under the BC Act, a shareholder (which term includes any person whom the court considers to be an appropriate person to make an application) or director of a company may, with judicial leave, bring an action in the name and on behalf of the company to enforce a right, duty or obligation owed to the company that could be enforced by the company 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 company, to defend an action brought against the company. The court will grant leave for an application to commence a derivative action if:

- (a) the complainant has made reasonable efforts to cause the directors of the company to prosecute or defend the legal proceeding;
- (b) notice of the application for leave has been given to the company and to any other person the court may order;
- (c) the complainant is acting in good faith; and
- (d) it appears to the court that it is in the best interests of the company for the legal proceeding to be prosecuted or defended.

The Alberta Act contains similar provisions for derivative actions but the right to bring a derivative action is available to a broader group - the right under the Alberta Act extends to directors, officers or security holders (whether the security is legally or beneficially owned), former directors, officers or security holders (whether the security is legally or beneficially owned) of a company or any of its affiliates, creditors of the company, or any other person who, in the discretion of a court, is a proper person to bring a derivative action. Also, the Alberta Act permits a complainant to commence an action in the name of a subsidiary of the company.

Requisition of Meetings

The BC Act 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, which meeting must be held within four months. If the directors do not call a meeting within 21 days of receiving the requisition, the requisitioning shareholders, or any one of them holding in the aggregate, more than 2.5% of the issued shares of the company that carry the right to vote at general meetings, may call the meeting.

The Alberta Act permits the registered or beneficial holders of not less than 5% of the issued voting shares of the company to require the directors to call and hold a meeting of the shareholders of the corporation for the purposes stated in the requisition. Only the registered holders may vote at this meeting. 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.

Place of Meetings

Under the BC Act, general meetings of shareholders are to be held in British Columbia or may be held at a location outside of British Columbia if:

- (a) the location is provided for in the articles;
- (b) the articles do not restrict the company from approving a location outside of British Columbia, the location is approved by the resolution required by the articles for that purpose (the proposed Articles provide for determination of the location by resolution of the directors), or if no resolution is specified then approved by ordinary resolution before the meeting is held; or
- (c) the location is approved in writing by the Registrar of Companies before the meeting is held.

The Alberta Act provides that meetings of shareholders may be held outside of Alberta if the corporation's articles so provide or if all the shareholders entitled to vote at the meeting so agree.

The Corporation's by-laws currently provide that meetings of shareholders may be held outside of Alberta. The proposed Articles will provide that meetings of shareholders may be held outside of British Columbia.

Directors

The BC Act provides that the Corporation, as a public company, must have a minimum of three directors but does not impose any residency requirements on the directors.

The Alberta Act requires that for distributing corporations (like the Corporation) there must be a minimum of three directors at least two of whom shall not be officers or employees of the corporation or its affiliates, and that at least one quarter of the directors be resident Canadians.

Under the Alberta Act, directors may be removed by ordinary resolution whereas under the BC Act, directors may be removed by a special resolution or, if the articles of a company 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.

Change of Name

The Alberta Act provides that a special resolution is required in order to change a company's name.

The proposed Articles provide that a change of name may be approved by directors' resolution.

Shareholders' Pre-emptive Rights

Under the Alberta Act, shareholders may have pre-emptive rights to purchase shares issued by the companies, if it is provided for in a unanimous shareholders agreement or the articles of the company. The BC Act is silent on shareholders' pre-emptive rights.

Dividends

Under the BC Act, a company may pay dividends to its shareholders by shares or money, unless the company is insolvent or the payment of the dividends would render the company insolvent.

Under the Alberta Act, a company may not pay dividends if the corporation is, or would after the payment be, unable to pay its liabilities as they become due, or the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

Shareholders Rights of Dissent to the Continuation

The Shareholders have the right to dissent to the Continuation pursuant to section 191 of the Alberta Act, the text of which is set forth in Schedule "C" to this Management Information Circular. In the event that the actions approved by the Continuation Resolution become effective, any Shareholder who dissents in accordance with the provisions of section 191 will be entitled to be paid by the Corporation the fair value of the common shares held by such shareholder determined as at the close of business on the last business day before the Continuation Resolution was adopted.

The procedure for exercising this remedy is set forth in Schedule "C" and should be reviewed carefully. **Failure to adhere strictly to the requirements of section 191 of the Alberta Act may result in the loss or unavailability of the noncompliant shareholders' rights under that section.**

In any event, if a notice of dissent is given by a shareholder it is the present intention of management to determine in its discretion whether or not to proceed with the completion and filing of a Continuation Application under the BC Act.

The Continuation Resolution

The proposed text of the Continuation Resolution, substantially in the form set forth below, subject to such changes as may be required by regulatory authorities or as may be recommended by counsel, requires the approval of not less than two-thirds of the votes cast on such matter.

"**BE IT RESOLVED**, as a special resolution, that:

1. *the Corporation be authorized to prepare a Continuation Application and Notice of Articles respecting the proposed continuation of the Corporation from Alberta to British Columbia;*
2. *the Corporation apply to the Registrar of Corporations (Alberta) (the "**Alberta Registrar**") to permit such continuation in accordance with section 189 of the Business Corporations Act (Alberta) (the "**Alberta Act**");*
3. *the Corporation apply to the Registrar of Companies (British Columbia) (the "**BC Registrar**") to permit such continuation in accordance with section 302 of the Business Corporations Act (British Columbia) (the "**BC Act**");*
4. *subject to the issuance by the BC Registrar of a Certificate of Continuation and without affecting the validity of the Corporation and the existence of the Corporation by or under its articles and by-laws and any act done thereunder, effective upon issuance of the Certificate of Continuation, the Corporation adopt the Notice of Articles attached to Continuation Application and the Articles in the form approved by the directors of the Corporation pursuant to the BC Act, in substitution for the articles and by-laws of the Corporation pursuant to the Alberta Act, and all amendments reflected therein, are approved and adopted;*
5. *The Board may use their discretion to appoint an agent to electronically file the Continuation Application with the BC Registrar and to apply to the Alberta Registrar for authorization permitting the continuation and to request a certificate of discontinuation under the Alberta Act;*

6. *on the date and time that the Continuation Application is filed with the BC Registrar, the existing articles and bylaws of the Corporation be replaced with the Notice of Articles contained in the Continuation Application and the Articles, all as approved by the directors of the Corporation;*
7. *notwithstanding the passage of this special resolution by the shareholders of the Corporation, the Board of Directors of the Corporation, in their sole discretion and without further notice to or approval of the shareholders of the Corporation, may decide not to proceed with the continuation or otherwise give effect to this special resolution, at any time prior to the continuation becoming effective; and*
8. *any one officer or director of the Corporation is authorized, for and on behalf of the Corporation, to execute and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized hereby including, without limitation, the execution and filing of the Continuation Application and any forms prescribed by or contemplated under the BC Act.”*

Unless a choice is otherwise specified, it is intended that the common shares of the Corporation represented by the proxies hereby solicited will be voted “FOR” the Continuation Resolution. In order to be affected, the Continuance Resolution must be approved by two-thirds of the votes cast by the Shareholders in respect thereof.

BOARD APPROVAL

The contents of this Information Circular have been approved, in substance, and its mailing has been authorized, by the Board pursuant to resolutions passed as of September 15, 2020.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Shareholders may contact the Corporation to request copies of the Corporation’s consolidated financial statements and management discussion and analysis as follows:

MG Capital Corporation

Attention: Ms. Robin Sudo, CFO

#201 – 135 – 10th Avenue S.

Cranbrook, British Columbia V1C 2N1

Financial information is provided in the Corporation’s comparative consolidated financial statements and management discussion and analysis for the financial year ended April 30, 2020.

SCHEDULE "A" – AUDIT COMMITTEE CHARTER

MG CAPITAL CORPORATION

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.

SCHEDULE “B” – STOCK OPTION INCENTIVE PLAN

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, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the “**Shares**”), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

2. Administration

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

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

4. Shares Subject to Plan

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation’s authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

However, other than in connection with a “Qualifying Transaction” (as defined in Policy 2.4 of the Exchange) or otherwise accepted by the Exchange, during the time that the Corporation is a “Capital Pool Company” (as defined in Policy 2.4 of the Exchange), the aggregate number of Shares issuable upon the exercise of all options granted under the 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.

5. Maintenance of Sufficient Capital

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

6. Eligibility and Participation

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

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation 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 shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date the Corporation’s shares 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 shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Corporation in any twelve-month period unless the Corporation has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) No single consultant of the Corporation (or any of its subsidiaries) shall be granted options to purchase Shares if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve-month period.
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Corporation in any twelve month period to persons employed to provide investor relation activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than ¼ of the options vesting in any 3 month period.

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 shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange. For greater certainty, if the Corporation is listed on the TSX Venture Exchange, the maximum term may not exceed 10 years.

10. Option Period, Consideration and Payment

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

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

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

12. Death of Participant

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

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

13. Rights of Optionee

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

14. 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.

15. Adjustments

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

16. Transferability

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

17. 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 the Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate the 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.

18. Necessary Approvals

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which 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 will be returned to the Participant.

19. Effective Date of Plan

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

20. Interpretation

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

SCHEDULE "C" – SECTION 191 OF THE ABCA

Shareholder's Right to Dissent

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),
- (c) amalgamate with another corporation, otherwise than under section 184 or 187,
- (d) be continued under the laws of another jurisdiction under section 189, or
- (e) 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

- (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.

