



## **ANNUAL GENERAL MEETING**

**Materials Attached:**

**Notice of Meeting**

**Information Circular**

**Proxy**

**Supplemental Mailing List Return Card**

**The Annual General Meeting of the Shareholders of  
Surge Exploration Inc.**

**is being held at 1220 – 789 West Pender Street  
Vancouver, British Columbia, V6C 1H2  
on December 10, 2019 at 11:00am (Vancouver time)**



1220 – 789 West Pender Street  
Vancouver, British Columbia, V6C 1H2

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN THAT** an Annual General Meeting (the “**Meeting**”) of the shareholders of Surge Exploration Inc. (the “**Company**”) will be held at 1220 – 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 on Tuesday, December 10, 2019 at 11:00am (Vancouver time) for the following purposes:

1. To receive the audited financial statements of the Company for the period ended December 31, 2018, together with the report of the auditors thereon.
2. To fix the number of directors of the Company at three (3) persons.
3. To elect the directors for the forthcoming year.
4. To appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as the Company’s auditors for the ensuing year and to authorize the directors to fix their remuneration.
5. To approve as an ordinary resolution the amendment to the Company’s 10% “rolling” Stock Option Plan, as more particularly described in the accompanying Information Circular.
6. To transact such further or other business as may properly come before the Meeting or any adjournment thereof.

The details of the matters proposed to be put before the Meeting are set forth in the Information Circular accompanying this Notice, which is supplemental to and expressly made a part of this Notice. Shareholders of record as of the close of business on November 5, 2019 (the “**Record Date**”) will be entitled to vote at the Meeting and at any adjournment or adjournments thereof.

**It is important that your shares be represented at this Meeting to ensure a quorum. If you cannot be present to vote in person, please ensure that your proxy or, if a company, your representative, is appointed and present to vote on your behalf at the Meeting. Instructions regarding the appointment of a proxy or representative are contained in the Information Circular.**

**DATED** at the City of Vancouver, in the Province of British Columbia, as of this 5<sup>th</sup> day of November, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Tim Fernback”*

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Tim Fernback  
President & CEO



Suite 1220, 789 West Pender Street Vancouver, BC V6C 1H2

Telephone: 788-945-2656

[www.surgeexploration.com](http://www.surgeexploration.com)

## MANAGEMENT PROXY CIRCULAR

(Containing information as at November 5, 2019, unless indicated otherwise)

This Management Proxy Circular (the “Circular”) is furnished in connection with the solicitation of proxies by the management of Surge Exploration Inc. (formerly “Copper Creek Gold Corp.”) (the “Company”) for use at the Annual Meeting of Shareholders of the Company (and any adjournment thereof) to be held on **Tuesday, December 10, 2019** (the “Meeting”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

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

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Non-Registered Shareholders of the common shares held of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements by them in so doing.

### Appointment of Proxyholders

The individuals named in the accompanying form of proxy are directors of the Company (the “Management Designees”). If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than either of the persons designated in the proxy, who need not be a shareholder, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the proxy or by completing and delivering another suitable form of proxy.

### Voting by Proxyholder

The Management Designees named in the proxy will vote or withhold from voting the common shares represented thereby in accordance with the instructions of the shareholder on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your common shares will be voted accordingly. The proxy will confer discretionary authority on the nominees named therein with respect to:

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

**THE COMMON SHARES REPRESENTED BY THE ACCOMPANYING FORM OF PROXY WILL BE VOTED AS DIRECTED BY THE SHAREHOLDER, HOWEVER, IF SUCH A DIRECTION IS NOT MADE IN RESPECT OF ANY MATTER, THIS PROXY WILL BE VOTED AS RECOMMENDED BY MANAGEMENT.**

### Registered Shareholders

Registered shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders electing to submit a Proxy may do so by:

- (a) completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent, Odyssey Trust Company ("Odyssey"), Attention: Proxy Department, by fax to 1-(800)-517-4553, via email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com), or by mail or hand delivery to Odyssey Trust Company, Attention: Proxy Department, 409 Granville Street, Suite 323, Vancouver, British Columbia, V6C 1T2; or
- (b) using the internet through the website of the Company's transfer agent at [odysseytrust.com/Transfer-Agent/Login](http://odysseytrust.com/Transfer-Agent/Login). Registered shareholders must follow the instructions that appear on the screen and refer to the enclosed Proxy form for the holder's account number and the Proxy control number;

in all cases ensuring that the Proxy is received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the Proxy is to be used.

### Non-Registered Shareholders

The following information is of significant importance to shareholders who do not hold common shares in their own name. Non-Registered Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of common shares) or as set out in the following disclosure.

If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of Intermediaries. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Corporation (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Non-Registered Shareholders in advance of meetings of shareholders. Every Intermediary has its own mailing procedures and provides its own return instructions to clients. You are encouraged to follow the instructions provided by your Intermediary to provide your voting instructions. Your Intermediary will not vote your common shares without receiving instructions from you.

The form of proxy supplied to you by your broker will be similar to the proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote your common shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a Voting Instruction Form ("VIF") in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your common shares at the Meeting. You have the right to appoint a person (who need not be a Non-Registered Shareholder of the Company), other than any of the persons designated in the VIF, to represent your common shares at the Meeting and that person might be you. To exercise this right, insert the name of the desired representative (which may be yourself) in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting and the appointment of any shareholder's representative. If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your common shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your common shares at the Meeting.

### Non-Objecting and Objecting Beneficial Owners

There are two types of Non-Registered Shareholders. Non-Registered Shareholders who have not objected to their Intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs” or “Non-Objecting Beneficial Owners”. Non-Registered Shareholders who have objected to their Intermediary disclosing the ownership information about themselves to the Company are referred to as “OBOs” or “Objecting Beneficial Owners”. In accordance with National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer (“NI 54-101”), the Company has elected to send the meeting materials to the NOBOs utilizing the services of Broadridge and indirectly to the OBOs through their Intermediaries. Please return your voting instructions as specified in the VIF or form of proxy delivered to you.

Please vote in sufficient time to allow your Intermediary to provide the proxy at least **48 hours** (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used.

The Company is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related material in connection with the Meeting.

### Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of Canada and securities laws of the Provinces of Canada. The proxy solicitation rules under the United States Securities Exchange Act of 1934, as amended, are not applicable to the Company or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the securities laws of the Provinces of Canada. Shareholders should be aware that disclosure requirements under the securities laws of the Provinces of Canada differ from the disclosure requirements under United States securities laws.

The enforcement by shareholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Company is incorporated under the Canada Business Corporations Act (the “CBCA”) certain of its directors and its executive officers are residents of Canada and a substantial portion or all of its assets and the assets of such persons are located outside the United States. Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of United States federal securities laws. It may be difficult to compel a foreign company and its officers and directors to subject themselves to a judgment by a United States court.

### Revocation of Proxies

A Registered Shareholder of the Company who has given a proxy may revoke the proxy at any time prior to use by:

- (a) depositing an instrument in writing, including another completed proxy, executed by such Registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the Registered Shareholder is a corporation, by an officer or attorney thereof properly authorized, either: (i) at the registered and records office of the Company located at **Suite 1220-789 West Pender Street, Vancouver, B.C., V6C 1H2 Attn: Corporate Secretary** not less than **48 hours**, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof, (ii) with Odyssey Trust Company, by fax to 1-(800)-517-4553, via email to [proxy@odysseytrust.com](mailto:proxy@odysseytrust.com), or by mail or hand delivery to Odyssey Trust, Attention: Proxy Department, 409 Granville Street, Suite 323, Vancouver, British Columbia, V6C 1T2, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the holding of the Meeting or any adjournment thereof, or (iii) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof;
- (b) transmitting, by telephone or electronic means, a revocation that complies with paragraphs (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be; or
- (c) in any other manner permitted by law including attending the Meeting in person.

A Non-Registered Shareholder who has submitted a form of proxy may revoke it by contacting the Intermediary through which the Non-Registered Shareholder's common shares are held and following the instructions of the Intermediary respecting the revocation of proxies.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

#### Signing of Proxy

The form of proxy must be signed by the shareholder of the Company or the duly appointed attorney of the shareholder of the Company authorized in writing or, if the shareholder of the Company is a corporation, by a duly authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Company or in some other representative capacity, including an officer of a corporation which is a shareholder of the Company, should indicate the capacity in which such person is signing and should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Company.

A shareholder of the Company or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

#### **RECORD DATE**

The Company has set the close of business on November 5, 2019 as the record date (the "*Record Date*") for the Meeting. Only the registered holders of common shares, and those beneficial holders entitled to receive notice through their intermediaries, as at that date, are entitled to receive notice of and to vote at the Meeting unless after that date a shareholder of record transfers his or her shares and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he or she owns such shares, requests at least ten (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.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The holders of the Company's common shares of record at the Record Date are entitled to vote such shares at the Meeting on the basis of one vote for each common share held. The Company is authorized to issue an unlimited number of common shares without par value (the "*shares*") of which 92,244,260 shares are issued and outstanding as of the Record Date. The Company has no other class of voting securities.

A quorum for the transaction of business at the Meeting is one person who is, or who represents by proxy one or more shareholders who, in the aggregate, hold at least 5% of the issued and shares entitled to vote at the meeting. If there is only one shareholder entitled to vote at a meeting of shareholders: (a) the quorum is one person who is, or who represents by proxy, that shareholder; and (b) that shareholder, present in person or by proxy, may constitute the meeting.

#### **VOTES NECESSARY TO PASS RESOLUTIONS**

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein to appoint the directors of the Company and the auditors of the Company. If there are more nominees for election as directors or appointment of the Company'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.

A simple majority of affirmative votes cast at the Meeting is required to pass the resolution approving the Plan, as defined and described in greater detail herein.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

For the purposes of this Information Circular, “informed person” means:

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

Other than as disclosed elsewhere in this Information Circular, no informed person, no proposed director of the Company and no associate or affiliate of any such informed person or proposed director, has any material interest, direct or indirect, in any material transaction since the commencement of the Company's last completed financial year or in any proposed transaction, which, in either case, has materially affected or will materially affect the Company or any of its subsidiaries.

## STATEMENT OF EXECUTIVE COMPENSATION

### Interpretation

For the purpose of this Statement of Executive Compensation:

“compensation securities” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the company or any of its subsidiaries;

“external management company” includes a subsidiary, affiliate or associate of the external management company;

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

- (a) each individual who, in respect of the Company during any part of the most recently completed financial year, served as chief executive officer (“CEO”) including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“CFO”) including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individual identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

“plan” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or any other property may be received, whether for one or more persons;

“underlying securities” means any securities issuable on conversion, exchange or exercise of compensation securities.

## COMPENSATION DISCUSSION & ANALYSIS

### Compensation Discussion & Analysis

When determining the compensation of the NEOs, the board of directors (“Board of Directors”) considers the resources of the Company and the objectives of attracting, motivating and retaining highly skilled and experienced executive officers. The Board of Directors does not have a formal compensation program with set benchmarks, however, the Board of Directors does have an informal program which seeks to reward an executive officer’s current and future expected performance and the achievements of corporate milestones and align the interests of executive officers with the interests of the Company’s shareholders.

The compensation awarded to, earned by, paid to or payable to each of the NEOs for the most recently completed financial year is set out under the heading, “*Executive Compensation – Summary Compensation Table*”.

### Compensation Review Process

The Board of Directors reviews on an annual basis the cash compensation, performance and overall compensation package of each executive officer, including the NEOs.

In establishing levels of remuneration, stock option and bonus grants, the Board of Directors are guided by the following principles:

- compensation is determined on an individual basis by the need to attract and retain talented, qualified and effective executives;
- total compensation is set with reference to the market for similar positions in comparable companies and with reference to the location of employment; and
- the current market and economic environment.

### Assessment of Individual Performance

Individual performance in connection with the achievement of corporate milestones and objectives is reviewed by the Board of Directors for all executive officers. While awards are generally tied to performance against quantitative objectives, consideration is also given to an individual’s qualitative contribution to the Company. For example, the Board of Directors will evaluate the individual’s leadership skills, commitment to the Company’s shareholders, innovation and teamwork.

### Elements of Executive Compensation

There are two main elements of direct compensation, namely base salary and equity participation through the Company’s stock option plan (the “*Stock Option Plan*”).

#### Base Salary

The base fee or salary for each NEO is determined by an assessment by the Board of Directors of such NEOs performance, a consideration of competitive compensation levels in companies similar to the Company and review of the performance of the Company as a whole.

#### Option Based Awards

In the Company’s view, encouraging its executive officers and employees to become shareholders of the Company is the best way to align their interests with those of the Company’s shareholders. Equity participation is accomplished through the Stock Option Plan.

The Board of Directors reviews the performance of the Company’s management and advisors from time to time, and recommends option based awards as appropriate, taking into consideration factors such as individual performance and the overall performance of the Company.

## Summary of Compensation

As at the year ended December 31, 2018, the Company had two NEOs: Timothy Fernback, the Company's President and Chief Executive Officer and Robert Guanzon the Company's Chief Financial Officer. Subsequent to year end and prior to the date of this Information Circular, Mr. Guanzon resigned as the Company's Chief Financial Officer and Simon (Tak Tsan) Tso was appointed.

The following table sets forth a summary of the compensation paid to the Company's NEOs for the last two fiscal years ended December 31, 2018.

### Summary Compensation Table

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Timothy Fernback, CEO <sup>(1)</sup>	2018	\$72,000	Nil	Nil	Nil	Nil	Nil	Nil	\$72,000
	2017	\$6,000	Nil	Nil	Nil	Nil	Nil	Nil	\$6,000
Gordon Jung <sup>(2)</sup> <i>Former CEO</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	\$51,000	Nil	Nil	Nil	Nil	Nil	Nil	\$51,000
Robert Guanzon, CFO <sup>(3)(4)</sup>	2018	\$42,000	Nil	Nil	Nil	Nil	Nil	Nil	\$42,000
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Kurt Bordian <i>Former CFO</i> <sup>(3)</sup>	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2017	\$37,900	Nil	Nil	Nil	Nil	Nil	Nil	\$37,900
Simon (Tak Tsan) Tso, CFO <sup>(4)</sup>	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Timothy Fernback was appointed President and CEO on September 1, 2018.

(2) Gordon Jung ceased as President and CEO on September 1, 2018 and remains a Director.

(3) On February 16, 2018, Kurt Bordian resigned as CFO and Robert Guanzon was appointed CFO

(4) Subsequent to year end and prior to the date of this Information Circular, Mr. Guanzon ceased as CFO and Simon (Tak Tsan) Tso was appointed as the Company's Chief Financial Officer effective February 18, 2019.

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

The following table sets forth option-based awards outstanding to NEOs for the fiscal year ended December 31, 2018. The closing price of the Company's shares on the TSX Venture Exchange (the "Exchange") on December 31, 2018 was \$0.05. The value of the unexercised, in the money options is based on the difference between the market price on December 31, 2018 and the exercise price of the options.

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Timothy Fernback, CEO <sup>(1)</sup>	700,000	\$0.07	Jan 10/23	Nil	n/a	n/a	n/a
Gordon Jung <sup>(2)</sup> <i>Former CEO</i>	200,000	\$0.07	Jan 10/23	n/a	n/a	n/a	n/a
Robert Guanzon, CFO <sup>(3)(4)</sup>	Nil	n/a	n/a	n/a	n/a	n/a	n/a
Kurt Bordian, <i>Former CFO<sup>(3)</sup></i>	Nil	n/a	n/a	n/a	n/a	n/a	n/a
Simon (Tak Tsan) Tso, CFO <sup>(4)</sup>	Nil	n/a	n/a	n/a	n/a	n/a	n/a

(1) Timothy Fernback was appointed President and CEO on September 1, 2018.

(2) Gordon Jung ceased as President and CEO on September 1, 2018 and remains a Director.

(3) On February 16, 2018, Kurt Bordian resigned as CFO and Robert Guanzon was appointed CFO

(4) Subsequent to year end and prior to the date of this Information Circular, Mr. Guanzon ceased as CFO and Simon (Tak Tsan) Tso was appointed as the Company's Chief Financial Officer effective February 18, 2019.

### Incentive Plan Awards – Value Vested or Earned During the Year Ended December 31, 2018

The following table sets forth the value of share-based and option-based awards vested or earned by NEOs during the fiscal year ended December 31, 2018:

Name	Option-based awards – Value vested during the year (\$) <sup>(1)</sup>	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Timothy Fernback, CEO <sup>(1)</sup>	Nil	N/A	N/A
Gordon Jung <sup>(2)</sup> <i>Former CEO</i>	Nil	N/A	N/A
Robert Guanzon, CFO <sup>(3)(4)</sup>	Nil	N/A	N/A
Kurt Bordian, <i>Former CFO<sup>(3)</sup></i>	Nil	N/A	N/A
Simon (Tak Tsan) Tso, CFO <sup>(4)</sup>	Nil	N/A	N/A

(1) Timothy Fernback was appointed President and CEO on September 1, 2018.

(2) Gordon Jung ceased as President and CEO on September 1, 2018 and remains a Director.

(3) On February 16, 2018, Kurt Bordian resigned as CFO and Robert Guanzon was appointed CFO

(4) Subsequent to year end and prior to the date of this Information Circular, Mr. Guanzon ceased as CFO and Simon (Tak Tsan) Tso was appointed as the Company's Chief Financial Officer effective February 18, 2019.

### Pension Plan Benefits

As at the fiscal year ended December 31, 2018, the Company did not maintain any defined benefit plans, defined contribution plans or deferred compensation plans.

## Termination and Change of Control Benefits

There is no compensatory plan or arrangement with respect to the NEOs resulting from the resignation, retirement or any other termination of employment or from a change of the NEO's responsibilities following a change in control.

## Director Compensation

The following table shows the compensation provided to the non-executive directors of the Company for the fiscal year ended December 31, 2018. Please see “*Summary Compensation Table*” under “*Statement of Executive Compensation*” above for details of compensation paid by the Company to those directors who are also NEOs.

Name	Fees earned (\$) <sup>(1)</sup>	Share-based awards (\$)	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$) <sup>(3)</sup>	Total (\$)
Robert Culbert	Nil	Nil	Nil	Nil	Nil	Nil	Nil
William Bennett <sup>(4)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Moe Dilon <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

(1) Includes all fees awarded, earned, paid or payable in cash for services as a director, including retainer, committee, chair and meeting fees.

(2) The value of the option-based awards represents the fair value, on the date of grant, of awards under the Option Plan. The grant date fair value has been calculated using the Black Scholes Option Pricing Model and reflects assumptions for risk-free interest rate, expected life, volatility and dividend yield.

(3) Includes all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly

(4) William Bennett was appointed Director on February 8, 2018. Subsequent to year end and prior to the date of this Information Circular, Mr. Bennett resigned effective May 10, 2019

(5) Moe Dilon resigned as a Director on February 16, 2018

There are no arrangements under which directors of the Company who were not NEOs were compensated by the Company or its subsidiaries during the Company's most recently completed fiscal year-end for their services in their capacity as directors or consultants of the Company.

## Outstanding Share-Based & Option-Based Awards

The following table sets forth share-based and option-based awards outstanding to the directors of the Company who were not NEOs for the fiscal year ended December 31, 2018. The closing price of the Company's shares on the Exchange on December 31, 2018 was \$0.05. The value of the unexercised, in the money options is based on the difference between the market price on December 31, 2018 and the exercise price of the options.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Robert Culbert	200,000	0.07	Jan 10/23	Nil	Nil	Nil
William Bennett <sup>(1)</sup>	600,000 400,000	0.035 0.07	Dec 11/22 Jan 10/23	9,000 Nil	Nil Nil	Nil Nil
Moe Dilon <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil	Nil

(1) William Bennett was appointed Director on February 8, 2018. Subsequent to year end and prior to the date of this Information Circular, Mr. Bennett resigned effective May 10, 2019

(2) Moe Dilon resigned as a Director on February 16, 2018

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER THE EQUITY COMPENSATION PLAN

During the fiscal year ended December 31, 2018, the Company maintained the Stock Option Plan, which was approved by the shareholders of the Company October 1, 2018. The following table sets forth information with respect to the securities outstanding under the Stock Option Plan as at December 31, 2018.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights (b)</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)</b>
Equity compensation plans approved by security holders	5,330,000	\$0.06	3,794,426
Equity compensation plans not approved by security holders	nil	n/a	n/a
<b>Total</b>	<b>5,330,000</b>		<b>3,794,426</b>

The Company will be seeking shareholder approval to the Company's Plan at the Meeting. The details of the Plan are discussed below under *Particulars of other Matters to be Acted Upon* Item 5. *Renewal of Stock Option Plan*.

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

As at the date of this Circular, no director, executive officer, employee or former director, executive officer or employee of the Company was indebted to the Company as at the date hereof or at any time during the most recently completed financial year of the Company. None of the proposed nominees for election as a director of the Company, or any associate or affiliate of any director, executive officer or proposed nominee, was indebted to the Company as at the date hereof or at any time during the most recently completed financial year.

The Company has not provided any guarantees, support agreements, letters of credit or other similar arrangement or understanding for any indebtedness of any of the Company's directors, executive officers, proposed nominees for election as a director, or associates or affiliates of any of the foregoing individuals as at the date hereof or at any time during the most recently completed financial year of the Company.

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

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

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended December 31, 2018, or has any interest in any material transaction in the current year other than as set out herein.

#### Management Agreements

There are no management functions of the Company which are to any substantial degree performed by a person or company other than the directors or senior officers of the Company.

### **CORPORATE GOVERNANCE DISCLOSURE**

#### General

Corporate governance relates to activities of the Board of Directors, the members of which are elected by and are accountable to the shareholders, and takes into account the role of the individual members of management who are appointed by the Board of Directors and who are charged with the day-to-day management of the Company. The Board of Directors is committed to sound corporate governance practices which are both in the interest of its

shareholders and contribute to effective and efficient decision making. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires that each reporting company disclose its corporate governance practices on an annual basis. The Company’s general approach to corporate governance is summarized below.

#### Board of Directors

The Board of Directors currently consists of three directors, namely, Gordon Jung, Robert Culbert and Timothy Fernback.

#### Independence

Section 1.4 of National Instrument 52-110 – *Audit Committees* (“NI 52-110”) sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship to the Company.

Applying the definition set out in section 1.4 of NI 52-110, two of the three members of the Board of Directors are independent. The members who are independent are Gordon Jung and Robert Culbert. Timothy Fernback is not independent by virtue of the fact that he is an executive officer of the Company.

#### Mandate of the Board

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through the Audit Committee. In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies and its annual business plan, reviewing and approving the annual corporate budget and forecast, reviewing and approving significant capital investments outside the approved budget; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance against approved business plans and industry standards; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. The Company has not adopted a written mandate.

In keeping with its overall responsibility for the stewardship of the Company, the Board is responsible for the integrity of the Company’s internal control and management information systems and for the Company’s policies respecting corporate disclosure and communications.

Each member of the Board understands that he is entitled to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances.

#### Other Directorships

As of the date of this Circular, certain of the directors of the Company are directors of one or more other reporting issuers (or equivalent) in a Canadian jurisdiction or a foreign jurisdiction, as follows:

Name of Director	Directorships with Other Reporting Issuers
Robert Culbert	Carlin Gold Corporation
Timothy Fernback	Lico Energy Metals Inc., Nevada Energy Metals Inc., Deep South Resources Corp. and Tri Capital Opportunities Corp.
Gordon Jung	N/A

### Orientation and Continuing Education

At present, each new director is given an outline of the nature of the Company's business, its corporate strategy and current issues with the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company's business. Counsel to the Company is available to advise them of their legal obligations as directors of the Company.

Currently, the introduction and education process is reviewed on an annual basis and is revised accordingly. Often, there is a technical presentation at Board meetings, focusing on either a particular property or a summary of various properties. The question and answer portions of these presentations are a valuable learning resource for the non-technical directors.

### Ethical Business Conduct

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity.

### Nomination of Directors

The Board annually reviews the relationship between each director and the Company in order to determine if each director is or remains independent within the meaning of the governance guidelines.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing Corporation policies. The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing companies in the natural resource sector. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records.

### Audit Committee

At this time, the Company only has one committee which is the Audit Committee, consisting of Gordon Jung, Timothy Fernback (Chairman of the Audit Committee) and Robert Culbert, who are financially literate in accordance with Section 1.6 of NI 52-110 which states that an individual is financially literate if he or she has the ability to read and understand a set of financial statements that presents 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 issuer's financial statements.

Applying the definition of "independence" set out in section 1.4 of NI 52-110, Gordon Jung and Robert Culbert are independent members of the Audit Committee.

The Audit Committee is governed by an Audit Committee Charter the text of which is attached hereto as Schedule "A".

The Audit Committee's primary purpose is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting and accounting compliance, the audit process and processes for identifying, evaluating and monitoring the management of the Company's principal risks impacting financial reporting. The committee also assists the Board with the oversight of financial strategies and overall risk management.

*Timothy Fernback, President, Chief Executive Officer, Director (Non-Independent)*

Mr. Fernback has over twenty years of experience financing both private and public micro-capitalization companies in Canada. Mr. Fernback is a graduate of McMaster University where he studied molecular biology and biochemistry

and is also a graduate of the University of British Columbia, where he completed an MBA with a concentration in Finance. He is an active member of the Chartered Professional Accountants of British Columbia and is an active member of many industry and trade organizations in Canada. He has significant experience in a variety of matters requiring financial literacy. He is currently a director and/or senior officer of several TSX.V listed companies.

*Gordon Jung, Director (Independent)*

Mr. Jung has extensive experience in the retail sector. He has over 35 years experience in retail operations, merchandising and marketing and is currently performing product development for the Overwaitea Food Group, a major food chain in British Columbia. He was regional manager for 10 retail stores, the Director of Marketing for the Save On More Loyalty card program and Senior Category Development Manager. He has significant experience in a variety of matters requiring financial literacy.

*Robert Culbert, Director (Independent)*

Mr. Culbert is a businessman and professional engineer with over three decades of international project and business experience. Over the past several years, he has been involved in the public market sector and has served as an officer and director of various junior resource exploration companies. He has been the president of a land resource consulting company, a BC ski resort, and was a partner in the successful acquisition and syndication of residential real estate in western Canada. Currently he is also a director of Carlin Gold Corporation and a member of their Audit Committee.

In these positions, each member has been responsible for receiving information relating to companies and obtaining an understanding of the balance sheet, income statements and statements of cash flows and assessing the financial condition of the Company and its operating results. Each member has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principles that are relevant in assessing the Company's financial disclosures and internal control systems.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on exemptions in relation to "De Minimis Non-audit Services" or any exemption provided by Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Charter the Audit Committee shall pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

Exemption

The Company is relying upon the exemptions set forth in section 6.1 of NI 52-110 with respect to Part 5 (Reporting Obligations) of NI 52-110.

External Auditor Service Fees

External Auditor Service Fees In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories. The fees paid by the Company to its auditor in each of the last two fiscal years ended December 31, by category, are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2018	\$25,200	\$9,187	Nil	Nil
2017	\$24,488	Nil	Nil	Nil

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit Related Fees" include services that are traditionally performed by the auditor. These audit related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include 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 include 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.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Financial Statements

The Company's Board of Directors have approved all of the information in the audited financial statements for the year ended December 31, 2018, including the auditor's report thereon, copies of which have been sent to those shareholders who had requested receipt of same. Copies of these materials are also available on the Company's website at [www.surgeexploration.com](http://www.surgeexploration.com) and under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### 2. Set Number of Directors

Management intends to propose for adoption an ordinary resolution that the number of Directors of the Company be fixed at **three (3)**. Each director of the Company is elected annually and holds office until the next annual general meeting of the shareholders unless that person ceases to be a director before then. In the absence of instructions to the contrary, the shares represented by proxy will, on a poll, be voted for the nominees herein listed. Management does not contemplate that any of the nominees will be unable to serve as a director. The following table sets out the names of the persons to be nominated for election as directors, the positions and offices that they presently hold with the Company, their respective principal occupations for the past five years and the number of shares of the Company that each beneficially owns, directly or indirectly, or over which control or direction is exercised, as of the date of this Information Circular:

### 3. Election of Directors

The following table sets out the names of management's nominees for election as Directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years (unless the proposed director is now a director and was elected to the present term of office at a shareholders' meeting), period of time during which each has been a Director of the Company and the number of Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof.

Name, Province or State and Country of Residence and Current Position with the Company	Occupation, Business or Employment	Director of Corporation Since	Shares Beneficially Owned, Directly or Indirectly, Over Which Control or Direction is Exercised
<b>Timothy C. Fernback</b> , CPA Vancouver, British Columbia Canada <sup>(1)</sup>  President, CEO & Director	Chartered Professional Accountant, President of TCF Ventures Corp., a private company providing financial advisory services to public and private companies.	November 2017	654,580 shares
<b>Gordon Jung</b> Burnaby, British Columbia Canada <sup>(1)</sup>  Director	Businessman with 35 years' experience in retail operations, merchandising and marketing and product development for the Overwaitea Food Group.	June 2002	5,407 shares

<b>Robert Culbert, P. Eng.</b> Pt. Roberts, Washington USA <sup>(1)</sup>  Director	Engineer with over 35 years of international project and business experience; Director, Carlin Gold Corporation since September 2010; former CFO, Athlone Energy Ltd.; former Corporate Secretary, Frontier Pacific Mining Corp.	July 2011	13,100 shares
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- (1) Member of the Audit Committee, of which Tim Fernback is the Chair.  
(2) Information obtained from www:sedi.ca

The terms of office of those nominees who are presently Directors will expire as of the date of the Meeting. All of the Directors who are elected at the Meeting will have their term of office expire at the next Annual General Meeting of the Company.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

No proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director or executive officer of any company that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

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

The above information was provided by management of the Company.

#### **4. Appointment of Auditors**

Shareholders of the Company will be asked to vote for the appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, of Vancouver, British Columbia, as the Company's auditors, to hold office until the next annual general meeting of the shareholders, at a remuneration to be fixed by the directors.

On June 27, 2019 the Board of Directors, upon the recommendation of the Audit Committee, resolved to appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants as the auditor of the Company effective June 27, 2019. On the same date, James Stafford, Inc. resigned as the auditor of the Company at the Company's request and the Board of Directors accepted their resignation.

As required by section 4.11 of NI 51-102, a copy of the Company's reporting package (which has been filed with the applicable securities regulatory authorities and delivered to each of Dale Matheson Carr-Hilton Labonte LLP, and James Stafford, Inc.) is attached as Schedule "B" to this Information Circular and includes:

- (a) the Notice of Change of Auditor prepared in respect of James Stafford, Inc.'s resignation as the auditor of the Company and the Company's appointment of Dale Matheson Carr-Hilton Labonte LLP, as its new auditor to hold office until the next annual general meeting of the shareholders of the Company;
- (b) the response letter of James Stafford, Inc. with respect to the Company's Notice of Change of Auditor; and
- (c) the response letter of Dale Matheson Carr-Hilton Labonte LLP, with respect to the Board's appointment of Dale Matheson Carr-Hilton Labonte LLP as the successor auditor of the Company.

The persons named in the enclosed Proxy form intend to vote for the appointment of Dale Matheson Carr-Hilton Labonte LLP as the auditor of the Company to hold office until the next annual general meeting of shareholders of the Company or until a successor is appointed, at remuneration to be fixed by the directors.

## **5. Renewal of Stock Option Plan**

The Company received shareholder approval on October 1, 2018 of a “rolling” stock option plan (the “Option Plan”) whereby a maximum of 10% of the issued shares of the Company, from time to time, may be reserved for issuance pursuant to the exercise of options.

The purpose of the Option Plan is to provide certain directors, officers and key employees of, and certain other persons who provide services to the Company and any subsidiaries with an opportunity to purchase Common Shares of the Company and benefit from any appreciation in the value of the Company’s shares. This will provide an increased incentive for these individuals to contribute to the future success and prosperity of the Company, thus enhancing the value of the Common Shares for the benefit of all the shareholders and increasing the ability of the Company and its subsidiaries to attract and retain skilled and motivated individuals in the service of the Company.

The TSX Venture Exchange requires listed companies that have “rolling” stock option plans in place to receive shareholder approval of such plans on a yearly basis at the Company’s annual general meeting.

### Plan Summary

The Option Plan provides for the issuance of stock options to acquire at any time up to a maximum of 10% of the issued and outstanding Common Shares of the Company (subject to standard anti-dilution adjustments). If a stock option expires or otherwise terminates for any reason without having been exercised in full, the number of Common Shares reserved for issuance under that expired or terminated stock option will again be available for the purposes of the Option Plan. Any stock option outstanding when the Option Plan is terminated will remain in effect until it is exercised or it expires.

The Option Plan provides that stock options may be granted to directors, senior officers, employees and consultants of the Company (and any subsidiary of the Company) and management company employees. For the purposes of the Option Plan, the terms “employees”, “consultants” and “management company employees” have the meanings set out in TSX Venture Exchange Policy 4.4. Under the Option Plan, the Company’s Board of Directors may, from time to time, designate a committee such as the Compensation Committee for the purposes of administering the Option Plan.

Should the expiry date for an Option fall within a Blackout Period of the Company (as such time period may be determined by the Board of Directors where one or more Optionee may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company), or within nine (9) business days following the expiration of a Blackout Period, such expiry date shall, subject to approval of the TSX Venture Exchange, be automatically extended without any further act or formality to that day which is the tenth (10th) business day after the end of the Blackout Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Option Plan.

The Option Plan provides that it is solely within the discretion of the Board, or its Compensation Committee if so designated, to determine who should receive stock options and in what amounts, subject to the following conditions:

1. options will be non-assignable and non-transferable except that they will be exercisable by the personal representative of the option holder in the event of the option holder’s death;
2. options may be exercisable for a maximum of ten years from the date of grant (subject to extension where the expiry date falls within a “Blackout Period”, as disclosed above);

3. the aggregate number of options granted to any one option holder (including companies wholly owned by that option holder) in a 12 month period must not exceed 5% of the issued shares of the Company, calculated on the date an option is granted to the option holder;
4. the aggregate number of options granted to any one consultant in a 12 month period must not exceed 2% of the issued shares of the Company, calculated at the date an option is granted to the consultant;
5. the aggregate number of options granted to all option holders retained to provide Investor Relations Activities (as defined in TSX Venture Exchange Policy 1.1) must not exceed 2% of the issued shares of the Company in any 12 month period, calculated at the date an option is granted to any such option holder;
6. at no time will options be issued which could permit at any time the aggregate number of shares reserved for issuance under stock options granted to insiders (as a group) at any point in time exceeding 10% of the issued shares;
7. at no time will options be issued which could permit at any time the grant to insiders (as a group), within a 12 month period, of an aggregate number of options exceeding 10% of the issued shares calculated at the date an option is granted to any insider;
8. options held by an option holder who is a director, employee, consultant or management company employee must expire within one year after the option holder ceases to be a director, employee, consultant or management company employee, which time period the Company determines is reasonable;
9. in the event of an option holder's death, the option holder's personal representative may exercise any portion of the option holder's vested outstanding options for a period of one year following the option holder's death;
10. options cannot be granted to directors, employees, consultants or management company employees that are not bona fide directors, employees, consultants or management company employees, as the case may be; and
11. options will be reclassified in the event of any consolidation, subdivision, conversion or exchange of the Company's Common Shares.

The Option Plan provides that other terms and conditions may be attached to a particular stock option, such terms and conditions to be referred to in a schedule attached to the option certificate. Stock options granted to directors, senior officers, employees or consultants vest when granted unless otherwise determined by the Board, or its Compensation Committee, on a case by case basis. Stock options granted to consultants or employees performing Investor Relations Activities, as such term is defined by the TSX Venture Exchange, will vest in stages over 12 months with no more than one-quarter of the Options vesting in any three month period.

In addition, under the Option Plan a stock option will expire immediately in the event an Optionee is dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

The price at which an Optionee may purchase a Common Share upon the exercise of an Option will be as set forth in the option certificate issued in respect of such Option and in any event will not be less than the discounted market price of the Company's Common Shares as of the date of the grant of the stock option (the "Award Date"). The market price of the Company's Common Shares for a particular Award Date will typically be the closing trading price of the Company's Common Shares on the day immediately preceding the Award Date, or otherwise in accordance with the terms of the Option Plan. Discounted market price means the market price less a discount of up to 25% if the market price is \$0.50 or less; up to 20% if the market price is between \$2.00 and \$0.51; and up to 15% if the market price is greater than \$2.00. Where the exercise price of the Option is based on a discounted market price, a four month hold period will apply to all Common Shares issued under each Option, commencing from the Award Date. A four month hold period will also apply to all Common Shares issued under any Option granted to a director, officer or Insider (as

such term is defined by the TSX Venture Exchange) of the Company, regardless of whether the Option was granted at market or discounted market price.

In no case will a stock option be exercisable at a price less than the minimum prescribed by the organized trading facility or the applicable regulatory authorities that would apply to the award of the stock option in question.

The Option Plan is subject to TSX Venture Exchange acceptance and approval of shareholders.

**MANAGEMENT RECOMMENDS THAT SHAREHOLDERS APPROVE THE OPTION PLAN. IN ORDER TO BE PASSED, A MAJORITY OF THE VOTES CAST AT THE MEETING IN PERSON OR BY PROXY MUST BE VOTED IN FAVOUR OF THE RESOLUTION. IN THE ABSENCE OF CONTRARY INSTRUCTIONS, THE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY INTEND TO VOTE ANY COMMON SHARES REPRESENTED BY PROXIES HELD BY THEM IN FAVOUR OF THE RESOLUTION APPROVING THE OPTION PLAN.**

#### **OTHER MATTERS WHICH MAY COME BEFORE THE MEETING**

The Company will consider and transact such other business as may properly come before the Meeting or any adjournment thereof. The Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice. Should any other matters properly come before the Meeting, the shares represented by the proxy solicited hereby will be voted on such matter in accordance with the best judgment of the persons voting by proxy.

#### **ADDITIONAL INFORMATION**

Additional Information concerning the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial Information concerning the Company is provided in the Company's comparative financial statements and Management's Discussion and Analysis for the financial year ended December 31, 2018. Shareholders wishing to obtain a copy of the Company's financial statements and Management's Discussion and Analysis may contact the Company as follows:

**SURGE EXPLORTION INC.**

1220-789 West Pender Street

Vancouver, B.C. Canada

V6C 1H2

Telephone: (778) 945-2656

[info@surgeexploration.com](mailto:info@surgeexploration.com)

#### **BOARD APPROVAL**

The content and sending of this Information Circular has been approved by the Company's Board of Directors. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 5<sup>th</sup> day of November, 2019.

SURGE EXPLORATION INC.

“Timothy Fernback”

Timothy Fernback  
President and Chief Executive Officer

**SCHEDULE "A"****Surge Exploration Inc.  
Audit Committee Charter ("Charter")**

## 1. Purpose and Authority

The Audit Committee ("Committee") is a committee of the Board of Directors (the "Board"). Its primary function shall be to assist the Board in fulfilling its oversight responsibilities with respect to accounting and financial reporting processes, the financial integrity of the financial statements of Surge Exploration Inc. (the "Company"), compliance with legal and regulatory requirements, the overall adequacy and maintenance of the systems of internal controls that management have established and the overall responsibility for the Company's external and internal audit processes including the external auditors qualifications, independence and performance.

The Committee shall have the authority and funding to retain independent legal, accounting and other consultants to advise the Committee. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any advisers employed by the Committee and to the independent auditor employed by the Company for the purpose of rendering or issuing an audit report or performing other audit, review or attest services and ordinary administrative expenses of the audit committee that are necessary or appropriate in carrying out its duties.

The Committee shall be accountable to the Board. In the course of fulfilling its specific responsibilities, the Committee shall maintain an open communication between the Company's external auditor and the Board.

The responsibilities of a member of the Committee shall be in addition to such member's duties as a member of the Board.

The Committee has the duty to determine whether the Company's financial disclosures are complete, accurate, are in accordance with generally accepted accounting principles and fairly present the financial position and risks of the organization. The Committee should, where it deems appropriate, resolve disagreements, if any, between management and the external auditor, and review compliance with laws and regulations and the Company's own policies.

The Committee will provide the Board with such recommendations and reports with respect to the financial disclosures of the Company as it deems advisable.

## 2. Membership and Composition

The Committee shall consist of at least three Directors who shall serve on behalf of the Board, of which at least two members shall be independent. The members shall be appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the applicable stock exchanges, National Instrument 52-110, and other regulatory agencies as required.

Financial literacy requires that all members of the Committee shall have the ability to read and understand a set of financial statements that present the breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements. At least one member of the Committee shall be able to analyze and interpret a full set of financial statements, including the notes attached, in accordance with Canadian generally accepted accounting principles and at least one member of the Committee shall qualify and be designated as the Audit Committee Financial Expert as determined in the judgment of the Board with reference to applicable law and stock exchange rules.

A majority of Members will constitute a quorum for a meeting of the Committee.

The Board will appoint one Member to act as the Chair of the Committee. In his or her absence, the Committee may appoint another person provided a quorum is present. The Chair will appoint a Secretary of the meeting, who need not be a member of the committee and who will maintain the minutes of the meeting.

### 3. Meetings

At the request of the external auditor, the Chair of the Board, the Chief Executive Officer or the Chief Financial Officer of the Company or any member of the Committee, the Chair will convene a meeting of the Committee. In advance of every meeting of the Committee, the Chair, with the assistance of the Chief Financial Officer, will ensure that the agenda and meeting materials are distributed in a timely manner.

The Committee shall meet regularly and at least on a quarterly basis.

### 4. Duties and Responsibilities

The Committee shall take charge of all responsibilities imparted on an audit committee of the Company, as they may apply from time to time, under the Canada Business Corporations Act, National Instrument 52-110, and stock exchange rules. The duties and responsibilities of the Committee include the following:

#### 4.1 Financial Reporting and Disclosure

- a. Review and discuss with management and the external auditor at the completion of the annual examination:
  - i. the Company's audited financial statements and related notes;
  - ii. the external auditor's audit of the financial statements and their report;
  - iii. any significant changes required in the external auditor's audit plan;
  - iv. any serious difficulties or disputes with management encountered during the course of the audit; and
  - v. other matters related to the conduct of the audit, which are to be communicated to the Committee under International Financial Reporting Standards.
- b. Review and discuss with management and the external auditor at the completion of any review engagement or other examination, the Company's quarterly financial statements.
- c. Review, discuss with management the annual reports, the quarterly reports, the Management Discussion and Analysis ("MD&A"), Annual Information Form, prospectus, financial press releases and other disclosures and, if thought advisable, recommend the acceptance of such documents to the Board for approval.
- d. Review and discuss with management any guidance being provided to shareholders on the expected future results and financial performance of the Company and provide their recommendations on such documents to the Board.
- e. Inquire of the auditors the quality and acceptability of the Company's accounting principles, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates.
- f. Review the Company's compliance with any policies and reports received from regulators. Discuss with management and the independent auditor the effect on the Company's financial statements of significant regulatory initiatives.
- g. Meet with the external auditor and management in separate executive sessions, as necessary or appropriate, to discuss any matters that the Committee or any of these groups believe should be discussed privately with the Audit Committee.

- h. Ensure that management has the proper system and procedures are in place so that the Company's financial statements, financial reports and other financial information including all Company disclosure of financial information extracted or derived from the Company's financial statements, and that they satisfy all legal and regulatory requirements. The Audit Committee shall periodically assess the adequacy of such procedures.
- i. Review with the Company's counsel, management and the independent auditors any legal or regulatory matter, including reports or correspondence, which could have a material impact on the Company's financial statements or compliance policies.
- j. Based on discussions with the independent auditor concerning the audit, the financial statement review and such other matters as the Committee deems appropriate, recommend to the Board the filing of the audited annual and unaudited quarterly financial statements and MD&A on SEDAR.

#### 4.2 External Auditor

- a. Be responsible for the recommendation to the Board and the shareholders for the appointment of the Company's independent auditor and for the compensation, retention and oversight of the work of the independent auditor employed by the Company. The independent auditor shall report directly to the Committee. The Audit Committee shall be responsible to resolve any disagreements between management and the auditors regarding financial reporting.
- b. Consider, in consultation with the external auditor, the audit scope and plan of the external auditor.
- c. Approve the external auditor to be nominated, the cost of their services and review the performance of the auditor.
- d. Confirm with the external auditor and receive written confirmation at least once per year as to the external auditor's internal processes and quality control and disclosure of any investigations or government enquiries, reviews or investigations of the external auditor.
- e. Take reasonable steps to confirm at least annually the independence of the external auditor, which shall include:
  - i. ensuring receipt from the external auditor of a formal written statement delineating all relationships between the external auditor and the Company, consistent with International Financial Reporting Standards, and determine that they satisfy the requirements of all applicable securities legislation,
  - ii. considering and discussing with the external auditor any disclosed relationships or services, including non-audit services, that may impact the objectivity and independence of the external auditor, and
  - iii. approve in advance any audit or permissible non-audit related services provided by the auditor to the Company with a view to ensuring independence of the auditor, and in accordance with any applicable regulatory requirements, including the requirements of all applicable securities regulations with respect to approval of non-audit related serviced performed by the auditor.

#### 4.3 Internal Controls and Audit

- a. Review and assess the adequacy and effectiveness of the Company's systems of internal and management information systems through discussion with management and the external auditor to ensure that the Company maintains appropriate systems, is able to assess the pertinent risks of the Company and that the risk of a material misstatement in the financial disclosures can be detected.
- b. Assess the requirement for the appointment of an internal auditor for the Company.

- c. Inquire of management and the external auditor about the systems of internal controls that management and the Board of Directors have established and the effectiveness of those systems. In addition, inquire of management and the external auditor about significant financial risks or exposures and the steps management has taken to minimize such risks to the Company.
- d. Review disclosures made to the Committee by the Company's CEO and CFO during their certification process required under applicable securities regulations. Review any significant deficiencies in the design and operation of disclosure controls and procedures and any fraud involving management or other employees who have a significant role in the Company's internal controls.

#### 4.4 General

- a. Conduct an ongoing review of any transaction now in effect, and review and approve in advance any proposed transaction, that could be within the scope of "related party transactions" as such term is defined in the applicable securities regulations and establish appropriate procedures to receive material information about and prior notice of any such transaction.
- b. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- c. The Committee shall have the power to conduct or authorize investigations into any matter within the scope of this Charter. It may request any officer or employee of the Company, its external legal counsel or external auditor to attend a meeting of the Committee or to meet with any member(s) of the Committee.
- d. Review the qualifications of the accounting and financial personnel.
- e. Perform any other activities consistent with this Charter, the Company's Bylaws and governing law, as the Committee or the Board deems necessary or appropriate.

#### 4.5 Oversight Function

While the Committee has the responsibilities and powers set out in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or are in accordance with the International Financial Reporting Standards (IFRS) and applicable rules and regulations. These are the responsibilities of management and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure.

#### 5. Chair of the Committee

The Chair of the Committee:

- a. provides leadership to the Committee with respect to its functions as described in this Charter and as otherwise may be appropriate, including overseeing the logistics of the operations of the Committee;

- b. chairs meetings of the Committee, unless not present, and reports to the Board of Directors following each meeting of the Committee on the findings, activities and any recommendations of the Committee;
- c. ensures that the Committee meets on a regular basis and at least quarterly;
- d. in consultation with the Chair of the Board and the Committee members, establishes a calendar for holding meetings of the Committee;
- e. establishes the agenda for each meeting of the Committee, with input from other Committee members, the Chair of the Board, and any other parties as applicable;
- f. acts as liaison and maintains communication with the Chair of the Board and the Board to optimize and coordinate input from Board members, and to optimize the effectiveness of the Committee. This includes reporting to the full Board on all proceedings and deliberations of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
- g. reports annually to the Board on the role of the Committee and the effectiveness of the Committee role in contributing to the objectives and responsibilities of the Board as a whole;
- h. ensures that the members of the Committee understand and discharge their duties and obligations;
- i. fosters ethical and responsible decision making by the Committee and its individual members;
- j. together with the Corporate Governance and Nominating Committee, oversees the structure, composition, membership and activities delegated to the Committee from time to time;
- k. ensures that resources and expertise are available to the Committee so that it may conduct its work effectively and efficiently and pre-approves work to be done for the Committee by consultants;
- l. facilitates effective communication between members of the Committee and management;
- m. performs such other duties and responsibilities as may be delegated to the Chair by the Board of Directors from time to time.

The Charter will be reviewed annually to reassess its adequacy and any recommended changes will be submitted to the Board for approval.

# SCHEDULE "B"

## SURGE EXPLORATION INC.

Suite 1220 - 789 W Pender Street  
Vancouver, BC V6C 1H2

### NOTICE OF CHANGE OF AUDITOR

James Stafford, Inc.  
Dale Matheson Carr-Hilton Labonte LLP  
British Columbia Securities Commission  
Alberta Securities Commission

Pursuant to Part 4.11 of National Instrument 51-102, Surge Exploration Inc. (the "Company") hereby gives notice and confirms that:

1. James Stafford, Inc. ("James Stafford") has resigned at the request of the Company as the Company's auditor effective June 27, 2019.
2. The resignation of James Stafford and the appointment of Dale Matheson Carr-Hilton Labonte LLP ("DMCL") were considered and approved by the Audit Committee and the board of directors of the Company.
3. The audit reports of James Stafford on the financial statements of the Company for the fiscal years ended December 31, 2017 and December 31, 2018 did not contain any reservation. James Stafford has not reported on any financial statements of the Company subsequent to December 31, 2018, the most recently completed period for which its audit report was issued.
4. There are no "reportable events" as defined in Part 4.11 of National Instrument 51-102 between the Company and James Stafford.

DATED the 27<sup>th</sup> day of June, 2019

**SURGE EXPLORATION INC.**



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Simon Tso, CFO



1500 – 1140 W. Pender Street  
Vancouver, BC V6E 4G1  
TEL 604.687.4747 | FAX 604.689.2778

**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

July 3, 2019

**British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
9<sup>TH</sup> Floor – 701 West Georgia Street  
Vancouver, B.C. V7Y 1L2

**TSX Venture Exchange**

P.O. Box 11633  
Suite 2700 – 650 West Georgia Street  
Vancouver, B.C. V6B 4N9

**Alberta Securities Commission**

Suite 600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 0R4

Dear Sirs:

**Re: Surge Exploration Inc. (the “Company”)**  
**Notice Pursuant to National Instrument 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated June 27, 2019 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

A handwritten signature in dark ink, appearing to read 'DMCL'.

**DALE MATHESON CARR-HILTON LABONTE LLP**  
CHARTERED PROFESSIONAL ACCOUNTANTS

# JAMES STAFFORD

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**James Stafford, Inc.**  
**Chartered Professional Accountants**  
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Vancouver, British Columbia  
Canada V6E 3V6  
Telephone +1 604 669 0711  
Facsimile +1 604 669 0754  
[www.JamesStafford.ca](http://www.JamesStafford.ca)

3 July 2019

**British Columbia Securities Commission**  
12th Floor, 701 West Georgia Street  
Vancouver, BC V7Y 1L2

**Alberta Securities Commission**  
Suite 600, 250-5<sup>th</sup> St. SW  
Calgary, AB T2P 0R4

**Subject: Notice of Change of Auditor of Surge Exploration Inc. (the “Company”)**

Dear Sirs:

As required by National Instrument 51-102, we have reviewed the information contained in the Company’s Notice of Change of Auditor dated 27 June 2019 (the “Notice”) and hereby confirm our agreement with the information contained in the Notice. This confirmation is based on our knowledge of the information as at the date of this letter.

We understand that the Notice of Change of Auditor, along with this letter and a similar letter from Dale Matheson Carr-Hilton Labonte LLP will be filed with the securities regulatory authorities and provided to the Company’s registered shareholders with the meeting materials relating to the Company’s next annual general meeting of shareholders.

Yours truly,

**JAMES STAFFORD**

Per:



James Stafford  
Chartered Professional Accountants