



COIN Hodl Inc.

82 Richmond Street East, Suite 200
Toronto, Ontario, M5C 1P1

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares of COIN Hodl Inc. (the "**Corporation**") will be held at the offices of Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto, Ontario at 10:00 a.m. (Toronto time), on July 17, 2019 for the following purposes:

1. to receive the audited annual financial statements of the Corporation for the year-ended December 31, 2018, together with the report of the auditor thereon;
2. to elect directors of the Corporation for the ensuing year. For more information, see "*Business of the Meeting – Election of Directors*" in the Corporation's management information circular dated June 17, 2019 (the "**Circular**");
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditor. For more information, see "*Business of the Meeting – Appointment of Auditor*" in the Circular;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving and adopting the Corporation's proposed fixed option plan. For more information, see "*Business of the Meeting – Approval of the New Option Plan*" in the Circular; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Shareholders should refer to the Circular for more detailed information with respect to the matters to be considered at the Meeting.

Registered Shareholders may attend the Meeting in person or may be represented by proxy.

If you are a registered Shareholder and are unable to attend the Meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Investor Services Inc., the transfer agent of the Corporation. To be valid, completed proxy forms must be dated, completed, signed and deposited with the Corporation's transfer agent, Computershare Investor Services: (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (within Canada & the United States) and 416-263-9524 (Internationally); or (iv) by telephone at 1-866-732-8683 (within Canada & the United States) and 312-588-4290 (Internationally). You may also vote through the internet and if you do vote through the internet, you may also appoint another person to be your proxyholder. Please go to www.investorvote.com and follow the instructions. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 9:30

a.m. (Eastern Daylight time) on the second to last business day preceding the day of the Meeting or any adjournment thereof, If you are unable to attend the Meeting, we encourage you to complete the enclosed form of proxy as soon as possible. If a Shareholder received more than one form of proxy because such Shareholder owns Common Shares registered in different names or addresses, each form of proxy should be completed and returned. The chairman of the Meeting shall have the discretion to waive or extend the proxy deadline without notice.

If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary. For information with respect to Shareholders who own their Common Shares through an intermediary, see "*General Proxy Information – Non-Registered Shareholders*" in the Circular.

The board of directors of the Corporation has fixed June 12, 2019 as the record date (the "**Record Date**") for the determining Shareholders of the Corporation entitled to receive notice of, and to vote at, the Meeting. Only Shareholders whose names have been entered into the Corporation's register of Shareholders as of the close of business on the Record Date will be entitled to receive notice of the Meeting and to vote thereat or at any adjournment(s) or postponement(s) thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date, and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it owns the Common Shares and demands, not later than 10 days before the Meeting, that his, her or its name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting. The transfer books will not be closed.

DATED at Toronto, Ontario as of the 17th day of June, 2019.

By Order of the Board of Directors

(signed) "*Ben Cubitt*"

Ben Cubitt

President and Chief Executive Officer

COIN Hodl Inc.
MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular is furnished in connection with the solicitation of proxies by the management and the directors of COIN Hodl Inc. (the "**Corporation**") for use at the annual meeting (the "**Meeting**") of the shareholders of the Corporation to be held at the offices of Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto, Ontario at 10:00 a.m. (Toronto time) on July 17, 2019 and at all adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of Meeting**"). The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares of the Corporation ("**Common Shares**") in their own names, or in the names of nominees, for their reasonable expenses for sending forms of proxy and this management information circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of any such solicitation will be borne by the Corporation.

No person is authorized to give any information or to make any representation other than those contained herein and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this management information circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

A registered shareholder of the Corporation may vote in person at the Meeting or may appoint another person to represent such shareholder as proxy and to vote the Common Shares of such shareholder at the Meeting. Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. For information with respect to shareholders who own their Common Shares beneficially through an intermediary, see "Non-Registered Shareholders" below.

Appointment and Revocation of Proxies

The persons named in the form of proxy accompanying this management information circular are directors and/or officers of the Corporation. A shareholder of the Corporation has the right to appoint a person (who need not be a shareholder of the Corporation) other than the persons whose names appear in such form of proxy to attend and act for and on behalf of such shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either striking out the names of the persons specified in the form of proxy and inserting the name of the person to be appointed in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed and executed form of proxy to Computershare Investor Services Inc. at Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 in time for use at the Meeting in the manner specified in the Notice of Meeting or by depositing the completed and executed form of proxy with the chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

A registered shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to its use by: (a) depositing an instrument in writing, including another completed form of 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 or other similar entity, by an authorized officer or attorney thereof (i) at the registered office of the Corporation, located at 82 Richmond Street East, Suite 200 Toronto, Ontario, M5C 1P1, at any time prior to 9:30 a.m. (Toronto time) on the second to last business day preceding the day of the Meeting or any adjournment thereof, (ii) with Computershare Investor Services Inc. at Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, at any time prior to 9:30 a.m. (Toronto time) on the second to last business day preceding the day 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 telephonic or electronic means, a revocation that complies with clauses (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 registered 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.

Exercise of Discretion by Proxies

The Common Shares represented by an appropriate form of proxy will be voted on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions contained on the form of proxy. In the absence of instructions, such Common Shares will be voted in favour of each of the matters referred to in the Notice of Meeting.

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date hereof, management of the Corporation knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy thereon.

Signing of Proxy

The form of proxy must be signed by the shareholder of the Corporation or the duly appointed attorney thereof authorized in writing or, if the shareholder of the Corporation is a corporation or other similar entity, by an authorized officer of such entity. A form of proxy signed by the person acting as attorney of the shareholder of the Corporation or in some other representative capacity, including an officer of a corporation which is a shareholder of the Corporation, should indicate the capacity in which such person is signing and the form of proxy 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 Corporation. A shareholder of the Corporation 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.

Non-Registered Shareholders

Only registered shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. The Common Shares of a non-registered shareholder (a "**Non-Registered Shareholder**") who beneficially owns Common Shares will generally be registered in the name of either:

- (a) an intermediary (an "**Intermediary**") with whom the Non-Registered Shareholder deals in respect of the Common Shares (including, among others, banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) a clearing agency (such as The Canadian Depository for Securities Limited in Canada or The Depository Trust Company in the United States) or its nominee of which the Intermediary is a participant.

In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Meeting, this Circular, the form of proxy and a request card for interim and annual materials (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either receive:

- (a) **Voting Instruction Form:** a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) **Form of Proxy:** a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Inc. at Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those instructions regarding when and where the voting instruction form or the form of proxy is to be delivered.

A Non-Registered Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Common Shares of such Non-Registered Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preference shares ("**Preference Shares**") of which 14,654,730 Common Shares and nil Preference Shares were issued and outstanding as of the close of business on June 17, 2019.

The holders of the Common Shares are entitled to one vote for each Common Share held on all ballots taken at all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote. Subject to the provisions of the *Business Corporations Act* (Ontario) (the "**OBCA**"), holders of Common Shares are not entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to: (a) increase or decrease any maximum number of authorized Common Shares or increase any maximum number of authorized shares of a class or series of shares having rights or privileges equal or superior to the Common Shares; (b) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or (c) create a new class or series of shares equal or superior to the Common Shares.

Record Date

The directors of the Corporation have fixed June 12, 2019 as the record date for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting. Holders of record of Common Shares at the close of business on June 12, 2019 will be entitled to vote at the Meeting and at all adjournments thereof.

Ownership of Securities of the Corporation

As at June 17, 2019, to the knowledge of the directors and officers of the Corporation, the following person will own, beneficially, directly or indirectly, and exercise control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attaching to any class of voting securities of the Corporation:

Name of shareholder and Municipality of Residence	Number of Shares	Percentage of Issued and Outstanding
Samara Capital Inc. ("Samara")	1,910,700	13.04%

BUSINESS OF THE MEETING

1. Receiving the Financial Statements

The financial statements of the Corporation for the financial year ended December 31, 2018 have been mailed to the Corporation's registered and beneficial shareholders who requested to receive them. The financial statements are also available on SEDAR at www.sedar.com. The financial statements of the Corporation for the year ended December 31, 2018 and the report of the auditor thereon will be placed before the Meeting.

2. Election of Directors

The directors of the Corporation are empowered by special resolution of the shareholders to determine the number of directors of the Corporation from time to time within the minimum and maximum provided for in the articles of the Corporation. The directors of the Corporation have fixed the number of directors to be elected at the Meeting at four. At the Meeting, shareholders of the Corporation will be asked to elect the four nominees set forth below as directors for the ensuing year. Each director elected will hold office until the close of the first annual meeting of the shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth certain information regarding the nominees, their position with the Corporation, their principal occupation during the last five years, the dates upon which the nominees became directors of the Corporation and the approximate number of Common Shares and options to purchase Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of June 17, 2019:

<u>Name, Position and Municipality of Residence</u>	<u>Principal Occupation During Last Five Years</u>	<u>Date Became Director</u>	<u>Voting Securities Owned or Controlled⁽¹⁾</u>
Ben Cubitt Director and CEO Toronto, Ontario, Canada	President and founder of Samara Capital Inc. (investment fund) since 2012; Director of Selwyn Resources; Chartered Financial Analyst since 2005.	May 29, 2018	1,910,700 Common Shares ⁽²⁾
Justin Oliver Director Toronto, Ontario, Canada	Director, Exchange Traded Funds at Bank of Montreal; Principal and Head of Sales at Fraser Mackenzie; Chartered Accountant (CPA, CA) since 2001/2003.	May 29, 2018	Nil.
Josh Crumb Director Vancouver, British Columbia, Canada	Founder and Chairman of Abaxx Technologies Inc since 2018.; Co-founder and Former Chief Financial Officer of Goldmoney Inc. (formerly BitGold Inc.); Founder of BlockVault Inc. (a Goldmoney subsidiary).	May 29, 2018	Nil.
Stefan Wieler Director	Head of Market Analysis at Axpo Solutions; Director of Goldmoney Inc.; Chartered Financial Analyst since	May 29, 2018	Nil.

<u>Name, Position and Municipality of Residence</u>	<u>Principal Occupation During Last Five Years</u>	<u>Date Became Director</u>	<u>Voting Securities Owned or Controlled⁽¹⁾</u>
Zurich, Switzerland	2004/2006; Chartered Alternative Investment Analyst since 2006/2007.		

- (1) The information as to the number of securities beneficially owned or over which control or direction is exercised has been furnished by the respective nominee.
- (2) Controlled by Samara, a corporation which Mr. Cubitt controls.

The board of directors of the Corporation (the "**Board**") has two committees: the corporate governance and compensation committee (the "**Governance and Compensation Committee**") and the audit committee (the "**Audit Committee**"). Following the Meeting, it is expected that: (i) the Governance and Compensation Committee will consist of three directors, being Messrs. Cubitt, Oliver, and Crumb; and (ii) the Audit Committee will consist of three directors, being Messrs. Cubitt, Oliver, and Crumb.

None of the nominees for election as a director of the Corporation is, or was within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to cease trade order or an order that denied such company access to any exemption under securities legislation that was, in each case, in effect for a period of more than 30 consecutive days and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

None of the nominees for election as a director of the Corporation is, or was within the ten years prior to the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, or within a year of that person ceasing to act in such 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.

None of the nominees for election as a director of the Corporation has within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the nominees for election as a director of the Corporation has been subject to: (i) 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 (ii) 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.

The persons named in the form of proxy accompanying this management information circular intend to vote FOR the election of the nominees whose names are set forth above, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of directors of the Corporation. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director of the Corporation for the ensuing year; however, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this management information circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee at their discretion.

3. **Appointment of Auditor**

The auditor of the Corporation is currently MNP LLP ("MNP"), having been appointed on January 13, 2017.

The persons named in the form of proxy accompanying this management information circular intend to vote FOR the appointment of MNP as the auditor of the Corporation until the close of the next annual meeting of the shareholders of the Corporation or until its successor is appointed and the authorization of the directors of the Corporation to fix the remuneration of MNP, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the appointment of the auditor of the Corporation.

4. **Approval of the New Option Plan**

The Corporation proposes to adopt a new stock option plan (the "**New Option Plan**") in accordance with current TSX-V policies. The New Option Plan was ratified, confirmed and approved by the Board on June 17, 2019.

The New Option Plan is a "fixed" stock option plan which sets the maximum number of Common Shares that may be reserved for issue and which can be purchased upon the exercise of all options granted under the New Option Plan to 2,800,000 Common Shares. The New Option Plan must be approved by the Corporation's shareholders prior to becoming effective. Shareholders are being asked to approve the New Option Plan at the Meeting. If approved, the New Option Plan will replace the Corporation's "rolling" stock option plan.

A copy of the New Option Plan is available to any shareholder of the Corporation at or prior to the Meeting upon request to the Secretary of the Corporation and is also attached hereto as Schedule "A". Set forth below is a summary of the New Option Plan. The following summary is qualified in all respects by the provisions of the New Option Plan. Reference should be made to the New Option Plan for the complete provisions thereof.

Summary of the New Option Plan

Purpose, Administration and Eligible Participants

The purpose of the New Option Plan is to advance the interests of the Corporation through the motivation, attraction and retention of key employees, consultants and directors of the Corporation and designated affiliates of the Corporation and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees, consultants and directors of the Corporation and the designated affiliates of the Corporation through the granting of non-transferable options ("**Options**") to eligible participants under the New Option Plan. The New Option Plan is currently administered by the directors of the Corporation. Pursuant to the New Option Plan, the directors may delegate the administration of the New Option Plan to a committee (the "**Committee**") of the directors of the Corporation authorized to carry out such administration and, failing a committee being so designated, the New Option Plan is to be administered by the directors of the Corporation.

Subject to the provisions of the New Option Plan, the Committee has the authority to select those persons to whom Options will be granted. Eligible participants under the New Option Plan include the directors, officers and employees (including both full-time and part-time employees) of the Corporation or of any designated affiliate of the Corporation and any person or corporation engaged to provide ongoing management, advisory or consulting services for the Corporation or a designated affiliate of the Corporation or any employee of such person or corporation.

Common Shares Subject to the New Option Plan

The New Option Plan is a "fixed" maximum share option plan whereby the aggregate number of Common Shares reserved for issue and which can be purchased upon the exercise of all Options granted under the New Option Plan may not exceed 2,800,00 of the Common Shares outstanding from time to time.

The maximum number of Common Shares reserved for issue pursuant to Options granted to participants who are insiders of the Corporation in any 12 month period may not exceed, in the aggregate, 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Exchange. The maximum number of Common Shares reserved for issue to any one participant upon the exercise of Options in any 12 month period shall not exceed 5% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Exchange. The maximum number of Common Shares reserved for issue to any one participant (other than a participant who is an eligible director or eligible employee) upon the exercise of Options in any 12 month period shall not exceed 2% of the number of Common Shares then outstanding.

The maximum number of Common Shares reserved for issue to all eligible employees and to all participants (other than participants who are eligible directors) conducting Investor Relations Activities (as such terms are defined in the policies of the Exchange) upon the exercise of Options in any 12 month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding. Options granted to participants (other than participants who are eligible directors or eligible employees) performing Investor Relations Activities shall vest in stages over a 12 month period, with no more than ¼ of the Options vesting in any three month period. The directors of the Corporation shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Corporation by all grantees of options performing Investor Relations Activities.

As of June 17, 2019 there were 1,400,000 Common Shares reserved for issue upon the exercise of outstanding Options.

Exercise Price of Options

The exercise price of any Option may not be less than the closing price of the Common Shares on the principal stock exchange on which the Common Shares are listed on the last trading day immediately preceding the date of grant of the Option less the maximum discount, if any, permitted by such stock exchange and, if the Common Shares are not then listed on any stock exchange, the exercise price may not be less than the fair market value of the Common Shares as may be determined by the directors of the Corporation on the day immediately preceding the day of the grant of such Option.

Expiry Date of Options

Each Option, unless sooner terminated pursuant to the provisions of the New Option Plan, will expire on a date to be determined by the Committee at the time the Option is granted, subject to amendment by an employment contract, which date cannot be later than ten years after the date the Option is granted. However, if the expiry date falls within a "blackout period" or within ten business days after the expiry of a "blackout period", then the expiry date of the Option will be the date which is ten business days after the expiry of the blackout period.

Vesting and Exercise of Options

Except as otherwise provided in the New Option Plan or in any employment contract, each Option may be exercised during the term of the Option only in accordance with the vesting schedule, if any, determined by the Committee at the time of the grant of the Option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the Committee from time to time with respect to a particular Option, subject to applicable regulatory requirements. If the Committee does not determine a vesting schedule at the time of the grant of any particular Option, such Option will be exercisable in whole at any time, or in part from time to time, during the term of the Option.

Effect of Termination

No Option granted under the New Option Plan may be exercised unless the optionee at the time of exercise thereof is:

- (a) in the case of an eligible employee, an officer of the Corporation or a designated affiliate of the Corporation or in the employment of the Corporation or a designated affiliate of the Corporation and has been continuously an officer or so employed since the date of the grant of such Option;
- (b) in the case of an eligible director who is not also an eligible employee, a director of the Corporation or a designated affiliate of the Corporation and has been such a director continuously since the date of the grant of such Option; and
- (c) in the case of any other eligible participant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting, technical or other services for the Corporation or a designated affiliate of the Corporation and has been so engaged since the date of the grant of such Option;

provided, however, that if a participant: (i) ceases to be a director of the Corporation and of the designated affiliates of the Corporation (and is not or does not continue to be an employee thereof) for any reason (other than death); or (ii) ceases to be employed by, or provide services to, the Corporation or the designated affiliates of the Corporation (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the designated affiliates of the Corporation, for any reason (other than death) or receives notice from the Corporation or any designated affiliate of the Corporation of the termination of his or her employment contract, except as otherwise provided in any employment contract, such participant will have 90 days from the date of such termination to exercise his or her Options to the extent that such participant was entitled to exercise such Options at the date of such termination. Notwithstanding the foregoing or any employment contract, in no event shall such right extend beyond the period during which the Option was exercisable under the terms of its grant or one year from the date of such termination.

Consolidation, Merger, etc.

If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an Option under the New Option Plan the holder thereof is entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or

transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the Committee otherwise determines the basis upon which such Option shall be exercisable.

Securities Exchange Take-Over Bid

If a take-over bid (within the meaning of the *Securities Act* (Ontario)) is made as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute of the Corporation or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all optionees requiring them to surrender their Options within ten days of the mailing of such notice, and the optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that, among other things, the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement options to the optionees on the equity securities offered as consideration.

Acceleration on Take-Over Bid, Consolidation or Merger

In the event that: (a) the Corporation seeks or intends to seek approval from the shareholders of the Corporation for a transaction which, if completed, would constitute an Acceleration Event (as hereinafter defined); or (b) a person makes a bona fide offer or proposal to the Corporation or the shareholders of the Corporation which, if accepted or completed, would constitute an Acceleration Event, then the Corporation is required to send notice to all optionees of such transaction, offer or proposal as soon as practicable. Provided that the Committee has determined that no adjustment will be made under the provisions of the New Option Plan described above under the heading "Consolidation, Merger, etc.", (i) the Committee may by resolution, and notwithstanding any vesting schedule applicable to any Option, permit all Options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an Option), so that the optionee may participate in such transaction, offer or proposal, and (ii) the Committee may accelerate the expiry date of such Options and the time for the fulfillment of any conditions or restrictions on such exercise. An "**Acceleration Event**" means an acquisition by any offeror of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Corporation, any consolidation merger or statutory amalgamation or arrangement of the Corporation with or into another corporation and pursuant to which the Corporation will not be the surviving entity (other than a transaction under which the shareholders of the Corporation immediately prior to completion of the transaction will have the same proportionate ownership of the surviving corporation), a separation of the business of the Corporation into two or more entities, a sale, lease exchange or other transfer of all or substantially all of the assets of the Corporation to another entity or the approval by shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

Amendments, Modifications and Changes

The Committee may from time to time in its absolute discretion (but subject to the applicable requirements of the Exchange), amend, modify and change the provisions of the New Option Plan or any Options granted pursuant to the New Option Plan, provided that any amendment which would: (a) materially increase benefits under the New Option Plan or any Options granted pursuant to the New Option Plan; (b) subject to certain exceptions, increase the number of Common Shares that may be issued under the New Option Plan; or (c) materially modify the eligibility requirements for participation in the New Option Plan, will only be effective upon such amendment being approved by the shareholders of the Corporation, and, if required, the Exchange. The Corporation must obtain disinterested shareholder approval in the case of an amendment that materially increases the benefits of any optionee that is also an Insider of the Corporation.

The New Option Plan may be amended without obtaining the approval of the Exchange to reduce the number of Common Shares issuable under the New Option Plan or increase the exercise price or cancel any Option granted under the New Option Plan, provided that the Corporation issue a news release outlining the terms of the amendment. As long as the Common Shares are listed on the Exchange, all other amendments to the New Option Plan will require the approval of the Exchange.

Shareholder Approval of the New Option Plan

At the Meeting, shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, a resolution (the "**New Option Plan Resolution**") confirming and approving the New Option Plan. The full text of the New Option Plan Resolution is set out in Schedule "B" attached hereto.

In order to be passed, the New Option Plan Resolution requires the approval of a majority of the votes cast thereon by shareholders of the Corporation present in person or represented by proxy at the Meeting. The directors of the Corporation unanimously recommend that shareholders vote in favour of the New Option Plan Resolution. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the New Option Plan Resolution.**

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy accompanying this management information circular to vote the shares represented thereby in accordance with their best judgment on such matter.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

STATEMENT OF EXECUTIVE COMPENSATION

The purpose of this Statement of Executive Compensation is to provide information about the Corporation's philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation provided to each of the Chief Executive Officer ("**CEO**"), the Chief Financial Officer ("**CFO**"), the most highly compensated executive officer of the Corporation, if any, whose individual total compensation was more than \$150,000 for the year ended December 31, 2018 (collectively, the "**Named Executive Officers**" or "**NEOs**"), and the directors of the Corporation. For the year ended December 31, 2018, the Named Executive Officers of the Corporation were Ben Cubitt, the CEO and President, Daniel Crandall, the CFO and Joseph Hamilton, former President and CEO.

Director and named executive officer compensation, excluding compensation securities

The following table sets forth the compensation paid to the Corporation's Named Executive Officers and directors for the Corporation's financial years ending December 31, 2018 and December 31, 2017:

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of all other compensation	Total compensation
Ben Cubitt President, CEO, and Director	2018	39,734 ⁽¹⁾	Nil.	Nil.	Nil.	Nil.	39,734
	2017	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Justin Oliver Director	2018	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
	2017	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Josh Crumb Director	2018	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
	2017	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Stefan Wieler Director	2018	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
	2017	Nil.	Nil.	Nil.	Nil.	Nil.	Nil.
Daniel Crandall ⁽⁶⁾ CFO	2018	46,175 ⁽⁵⁾	Nil.	Nil.	Nil.	Nil.	46,175
	2017	50,219 ⁽⁵⁾	Nil.	Nil.	Nil.	Nil.	50,219
Joseph Hamilton Former President and CEO	2018	18,181 ⁽²⁾	Nil.	Nil.	Nil.	Nil.	18,181
	2017	24,000 ⁽²⁾	Nil.	Nil.	Nil.	15,000 ⁽⁴⁾	39,000
Frank Davis ⁽³⁾ Former Director	2018	8,242	Nil.	Nil.	Nil.	Nil.	8,242
	2017	20,000	Nil.	Nil.	Nil.	Nil.	20,000
Terry MacGibbon ⁽³⁾ Former Director	2018	8,242	Nil.	Nil.	Nil.	Nil.	8,242
	2017	20,000	Nil.	Nil.	Nil.	Nil.	20,000
Robert Lowe ⁽³⁾ Former Director	2018	8,242	Nil.	Nil.	Nil.	Nil.	8,242
	2017	20,000	Nil.	Nil.	Nil.	Nil.	20,000

Notes:

- (1) Represents management fees paid to Samara, a company controlled by Ben Cubitt.
- (2) Represents consulting services fees paid to Pickax International Corp., a company controlled by Mr. Hamilton. Joseph Hamilton resigned on May 29, 2018 in connection with the completion of the Company's change of business transaction, as such term is defined in the policies of Exchange (the "**COB Transaction**"). Ben Cubitt was appointed President and CEO on May 29, 2018.
- (3) Messrs. Davis, MacGibbon and Lowe resigned from the Board on May 29, 2018 in connection with the completion of the COB Transaction. Messrs. Ben Cubitt, Justin Oliver, Josh Crumb, and Stefan Wieler were appointed to the Board on May 29, 2018.
- (4) Mr. Hamilton was paid \$15,000 in director fees in 2017.
- (5) These amounts, plus applicable HST, were paid to Marrelli Support Services Inc. for Chief Financial Officer and accounting services provided to the Corporation. Mr. Daniel Crandall is a senior employee of Marrelli Support Services Inc.
- (6) Mr. Crandall resigned as CFO effective February 7, 2019 and Mr. Aamer Siddiqui was appointed as CFO in his place.

Stock options and other compensation securities

No stock options or other compensation securities were granted or issued to any directors or NEOs by the Corporation in the year ended December 31, 2018.

No stock options or other compensation securities were exercised by any directors or NEOs in the year ended December 31, 2018.

Employment, consulting and management agreements

Joseph Hamilton (Former President, CEO and Director)

Joseph Hamilton, former President and Chief Executive Officer of the Corporation, was compensated for his services to the Corporation through an executive services arrangement (the "**Executive Services Agreement**") with Pickax International Corp. ("**Pickax International**"), a company controlled by Mr. Hamilton. Pickax International received compensation based on the number of days for which Mr. Hamilton provided services to the Company. Pickax International received no other compensation and was not entitled to receive any performance-based variable incentive compensation or any long-term incentives in the form of awards under the New Option Plan.

Under the Executive Services Agreement, Mr. Hamilton and Pickax International were not entitled to receive any compensation in the event that Mr. Hamilton's executive services were terminated pursuant to a change of control of the Corporation or if his employment was terminated without cause.

Mr. Hamilton resigned as President, CEO, and as a director of the Corporation in connection with the completion of the Corporation's COB Transaction.

Ben Cubitt (President, CEO, and Director)

Mr. Cubitt provides his services to the Corporation pursuant to a management services agreement dated May 29, 2018 between the Corporation and Samara, a company controlled by Mr. Cubitt (the "**Management Services Agreement**"). entered into in connection with the completion of the COB Transaction. A copy of the Management Services Agreement is available on the Corporation's SEDAR profile at www.sedar.com. A summary of the material terms of the Management Services Agreement is also available in the filing statement of the Corporation dated May 28, 2018, filed in connection with the COB Transaction which is available under the Corporation's SEDAR profile at www.sedar.com.

Daniel Crandall (CFO)

Mr. Crandall performed services for the Corporation pursuant to an agreement between Marrelli Support Services Inc., a company responsible for delivering corporate secretarial and accounting services, and the Corporation. Mr. Crandall is a senior employee of Marrelli Support Services Inc. Mr. Crandall was not entitled to receive any compensation in the event that Mr. Crandall's executive services were terminated pursuant to a change of control of the Corporation or if his employment was terminated without cause.

Mr. Crandall resigned as CFO effective February 7, 2019 and Mr. Aamer Siddiqui was appointed as CFO in his place. Mr. Siddiqui is also an employee of Marrelli Support Services Inc.

Oversight and description of director and named executive officer compensation

The Corporation's Governance and Compensation Committee is responsible for annually determining the compensation for the directors and the executive officers.

The Governance and Compensation Committee's primary responsibilities include, among other things, assisting the Board with the selection, retention, adequacy and form of the compensation of senior management and the Board. See "*Nomination of Directors*" and "*Compensation*" under the heading "*Corporate Governance Disclosure*" herein for further information regarding the role of the Governance and Compensation Committee.

The Governance and Compensation Committee has been tasked with establishing an executive compensation program, which includes equity compensation under the New Option Plan, discussed above under the heading "*Business of the Meeting – Approval of the New Option Plan*" and the other elements of compensation described under the heading "*Director and named executive officer compensation*", above.

Compensation Objectives and Principles

The primary goal of the Corporation's executive compensation program is to attract and retain the key executives necessary for the Corporation's long-term success; to encourage executives to further the development of the Corporation and its operations; and, to motivate top quality and experienced executives. The key elements of the executive compensation program are: (i) base salary; (ii) potential annual incentive award; and (iii) incentive stock options.

The Governance and Compensation Committee reviews the adequacy of remuneration for the executive officers by evaluating their performance in light of the Corporation's goals and objectives, the bonus opportunities contained in their employment agreements, and by comparing the performance of the Corporation with other reporting issuers of similar size in the same industry.

The directors are of the view that all elements of the total program should be considered, rather than any single element, and as such does not use fixed criteria in determining the mix of compensation and instead determines compensation based on a contextual analysis of the Corporation. While the Corporation does not have a formally established peer group in determining compensation, the Governance and Compensation Committee will make reference from time to time to other comparable publicly traded Canadian companies to align its compensation practices with market practice.

The terms of any proposed compensation for the directors of the Corporation who are not also officers of the Corporation (including any Options to be granted) will be determined by the Governance and Compensation Committee.

The compensation program is designed to provide income certainty, to attract and retain executives and to provide incentives for the achievement of both short-term and long-term objectives of the Corporation.

Compensation Process

The Corporation relies on its Governance and Compensation Committee, through discussion without any formal objectives, criteria or analysis, to determine the compensation of the Corporation's executive officers. The Governance and Compensation Committee has not established formal criteria or goals that are tied to total compensation or any significant element of total compensation. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of Options, to be granted to the Corporation's Named Executive Officers and directors, and for reviewing the recommendations respecting compensation of other officers of the Corporation from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining compensation, the Governance and Compensation Committee considers: (i) recruiting and retaining executives critical to the Corporation's success and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Corporation; and (iv) rewarding performance, both on an individual basis and with respect to the Corporation's operations in general.

Option Based Awards

Long-term incentives in the form of Options are intended to align the interests of the Corporation's directors and its executive officers with those of its shareholders, to provide a long-term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation the Corporation would otherwise have to pay. The New Option Plan is administered by the Board. While the Corporation does not have a formally established peer group in determining compensation, in considering the number of the options to be granted to the NEOs, reference is made to the number of stock options granted to officers of other comparable publicly traded Canadian companies. The Governance and Compensation Committee also considers previous grants of Options and the overall number of Options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of Options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of Option compensation.

See "*Business of the Meeting – Approval of the New Option Plan – Summary of the Plan*" above for further detail regarding the New Option Plan.

Recent Developments

The Corporation completed the COB Transaction and at such time implemented its current executive and director compensation practices. Over time, the Corporation will continue to review and refine its compensation practices.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth, as of December 31, 2018, information concerning securities authorized for issue under equity compensation plans of the Corporation.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	1,400,000	0.32	65,473 ⁽¹⁾
Equity compensation plans not approved by security holders	Nil	-	Nil

- (1) Pursuant to the New Option Plan, subject to other restrictions, the maximum number of Common Shares available for issuance under the New Option Plan is fixed at 10% of the issued and outstanding Common Shares from time to time. This amount is calculated by subtracting the 1,400,000 Common Shares that could be issued upon exercise of Options granted as at December 31, 2018 from the total amount that could be granted pursuant to the New Option Plan at December 31, 2018.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As of the date hereof, there is not, nor at any time since the beginning of the most recently completed financial year of the Corporation has there been, any indebtedness of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, or of any associate of such persons, to or guaranteed or supported by the Corporation or its subsidiaries either pursuant to an employee stock purchase program of the Corporation or otherwise.

AUDIT COMMITTEE DISCLOSURE

Charter

The text of the charter (the "**Charter**") of the Audit Committee is attached hereto as Schedule "C".

Audit Committee

The Audit Committee consists of Messrs. Justin Oliver (Chair), Cubitt, and Crumb. For the purposes of National Instrument 52-110 – *Audit Committees* published by the Canadian Securities Administrators ("**NI 52-110**"), all of the members of the Audit Committee are considered to be financially literate. Each of Messrs. Oliver and Crumb are considered independent for the purposes of NI 52-110. Mr. Cubitt is not considered independent as he is the CEO of the Corporation.

Relevant Education and Experience

Justin Oliver (Director)

Mr. Oliver has more than 15 years of experience in the investment industry, specializing in exchange traded funds, new innovative ways to deliver financial advice, capital markets and mutual funds. Justin currently works at BMO as a V.P. for ETFs helping to raise awareness and educate various types of institutions on ETFs and the value of their use. Prior, Justin helped to rebuild Fraser Mackenzie, a small Toronto based brokerage firm for 3 years where he served as a partner. Previously, he worked with Canaccord Genuity for 7 years as a V.P. Institutional Equity Sales raising over \$1B dollars in capital for various types of companies, both public and private. Justin has a Chartered Accountant (CPA, CA) designation and holds his undergraduate degree from the University of Western Ontario, Huron College in Finance and Economics. Justin has a passion for being a part of positive change.

Ben Cubitt (President, CEO, and Director)

Mr. Cubitt has been working for the past 15 years at two of the most successful hedge funds in Canada. For the first nine years he was at MMCAP, a top performing fund, before launching his own fund, Samara Capital Inc., in 2012 that specializes in small cap Canadian companies. He has also served as a director of Selwyn Resources and is a vocal proponent of good corporate governance. Ben has a Bachelor of Commerce degree from the University of British Columbia and obtained his Chartered Financial Analyst charter in 2005. Samara has participated in financings for small cap Canadian companies to the tune of over \$200mm over the last five years. He has a sophisticated knowledge of Canadian capital markets and has made many valuable contacts across the industry over the last 15 years in this business.

Josh Crumb (Director)

Mr. Crumb is a co-founder of Goldmoney Inc. (TSX: XAU) (formerly BitGold Inc.) and its former Chief Financial Officer. Mr. Crumb is also the Founder of BlockVault Inc., a Goldmoney subsidiary that will offer digital asset custody and dealing services to financial institutions. Mr. Crumb was previously an Executive Director at Goldman Sachs – the Senior Metals Strategist in the Global Economics, Commodities and Strategy Research Division, and a Director of Corporate Development at the Lundin Group of Companies. Mr. Crumb holds a Master of Science in Mineral Economics, a Graduate Certificate in International Political Economy, and a Bachelor of Science degree in Engineering from the Colorado School of Mines.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the most recently completed financial year of the Corporation has the Corporation relied on the exemption set out in section 2.4 of NI 52-110 (De Minimis Non-Audit Services), or an exemption from the application of 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, or its delegate appointed in accordance with the Charter, must pre-approve all non-audit services to be provided by the external auditor of the Corporation. The Audit Committee has not adopted specific policies and procedures for the engagement of such non-audit services.

External Auditor Service Fees

The aggregate fees billed by MNP, the Corporation's auditor, in 2018 and 2017 to the Corporation were as follows:

<u>Year Ending</u>	<u>Audit Fees</u>	<u>Audit-Related Fees⁽¹⁾</u>	<u>Tax Fees⁽²⁾</u>	<u>All Other Fees⁽³⁾</u>
December 31, 2018	\$20,000	\$3,000	\$3,500	Nil.
December 31, 2017	\$10,000	\$3,000	\$5,250	Nil

(1) Audit-Related Fees are fees billed for assurance and related services that are reasonable related to the performance of the audit or review of financial statements and are not reported under Audit Fees.

(2) Tax Fees are fees for professional services rendered for tax compliance, tax advice, and tax planning.

(3) These fees include review fees for quarterly reports.

Venture Issuer Exemption

The Corporation is not required to comply with Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 of NI 52-110 (Reporting Obligations) by virtue of the exemption for venture issuers contained in section 6.1 of NI 52-110.

CORPORATE GOVERNANCE DISCLOSURE

Governance and Compensation Committee

The directors of the Corporation established the Governance and Compensation Committee to assist the directors in fulfilling their oversight responsibilities with respect to, among other things: (i) developing governance guidelines and principles for the Corporation; (ii) identifying individuals qualified to be nominated as directors of the Corporation; (iii) evaluating the structure and composition of the committees of the directors of the Corporation; and (iv) evaluating the performance and effectiveness of the directors of the Corporation.

The Governance and Compensation Committee is mandated to conduct an annual review of the following principal corporate policies and recommend updates or amendments for consideration by the directors of the Corporation:

- Code of Business Conduct and Ethics;
- Foreign Corrupt Practices Policy;
- Corporate Disclosure Policy;
- Whistleblower Policy; and
- Insider Trading Policy

The Governance and Compensation Committee is comprised of three members, Messrs. Ben Cubitt, Justin Oliver, and Josh Crumb. Messrs. Oliver and Crumb are independent for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* published by the Canadian Securities Administrators ("NI 58-101"). Mr. Cubitt is not considered independent of the Corporation as he is the CEO of the Corporation.

Independence of the Directors of the Corporation

The Corporation has four directors, a majority of whom are considered to be independent. Only Mr. Cubitt, the President and Chief Executive Officer of the Corporation, is not considered to be independent because he is the CEO of the Corporation.

The directors of the Corporation annually review and make a determination as to the independence of each director in light of all applicable laws, rules, regulations and stock exchange requirements. The Corporation seeks to maintain a board of directors with at least a majority of independent directors.

The directors facilitate independent supervision over management by holding in camera sessions at each regular meeting of the directors without any members of management present (including those members of management who also serve as directors of the Corporation). Notwithstanding the foregoing, the directors of the Corporation believe that there is value in having certain members of senior management attend each meeting of the directors to provide information and presentations regarding the business of the Corporation in order to assist the directors in their deliberations. Attendance by senior management is determined by the Chief Executive Officer of the Corporation with the concurrence of the board of directors of the Corporation.

Management of the Corporation is expected to make appropriate use of the directors' collective and individual expertise before any decisions on key issues are made. The directors of the Corporation approve annual business plans and budgets and also approve general authority guidelines that place limits on management's ability to approve contractual and financial arrangements and commitments both in accordance with and outside approved budgets. All transactions, arrangements and commitments outside approved budgets and defined limits require the approval of the directors of the Corporation.

Other Directorships

Certain directors of the Corporation are also directors of other reporting issuers (or the equivalent in foreign jurisdictions) as set out below¹:

<u>Name of Director</u>	<u>Other Reporting Issuers</u>	<u>Exchange</u>
Josh Crumb	Solitario Zinc Corp.	TSX
	Menē Inc.	TSXV
	Fortress Technologies Corp.	TSXV
Stefan Wieler	Goldmoney Inc	TSX

Orientation and Continuing Education

The Corporation does not have a formal orientation or continuing education program. The President and Chief Executive Officer of the Corporation is responsible for providing an orientation and education program for new directors of the Corporation. When a person joins the board of directors, he or she will be given the opportunity to become familiar with the Corporation by meeting with the other directors of the Corporation and with the officers and representatives of the Corporation. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of the individual director.

Ethical Business Conduct

The directors of the Corporation have established a Code of Business Conduct and Ethics (the "**Ethics Code**"), a copy of which may be found under the Corporation's SEDAR profile at www.sedar.com. The Ethics Code provides a set of ethical standards by which each director, officer, employee, consultant and contractor of the Corporation is expected to conduct their business and, for each officer and employee of the Corporation, constitutes conditions of employment and, for each consultant and contractor, constitutes conditions of providing services to the Corporation. The Ethics Code is intended to give an overview of the Corporation's expectations for its directors, officers, employees, consultants and contractors and is supplemented by any other applicable policies adopted by the Corporation.

The directors of the Corporation expect all directors, officers and employees of the Corporation to act honestly and ethically at all times and to adhere to the Ethics Code. The directors of the Corporation may permit a waiver of the Ethics Code for any director or executive officer of the Corporation. However, any such waiver will be promptly disclosed to the extent required by applicable law or stock exchange rules and regulations.

The Ethics Code sets out that all directors, officers, employees, contractors and consultants of the Corporation, in discharging their duties, must comply with:

- the laws, rules and regulations of the location in which the Corporation is conducting business activities;
- the Ethics Code; and

¹ Coin Hodl to confirm if current directors sit on any other boards.

- all other policies of the Corporation, including, without limitation, the Foreign Corrupt Practices Policy, the Corporate Disclosure Policy and the Insider Trading Policy.

All directors, officers, employees, contractors and consultants are required to provide an annual certification to the Corporation confirming compliance with all laws, rules and regulations of the location in which the Corporation is performing business activities, as well as compliance with all applicable policies of the Corporation. The Chief Executive Officer of the Corporation is responsible for ensuring that all annual certifications are obtained, providing confirmation to the directors of the Corporation that such certifications have been obtained and summarizing the results thereof.

The Chief Executive Officer of the Corporation is responsible for setting the ethical tone for the Corporation and its management, including: (i) overseeing the administration and implementation of, and compliance with, the Corporation's policies and procedures; (ii) taking all reasonable steps to satisfy the directors of the Corporation as to the integrity of the Chief Executive Officer and other senior officers of the Corporation; (iii) taking all reasonable steps to satisfy the directors of the Corporation that the Chief Executive Officer and other senior officers of the Corporation create a culture of integrity throughout the organization; and (iv) fostering ethical and responsible decision making by management.

Nomination of Directors

The directors of the Corporation as a whole are responsible for identifying and recommending new candidates, having regard to the appropriate number of directors of the Corporation and the necessary competencies and skills of the directors collectively and individually. New nominees should have a track record in general business management, special expertise in an area of strategic interest to the Corporation and the ability to devote the time required to fulfill the duties of a director of the Corporation.

The Governance and Compensation Committee annually: (i) reviews and assesses the size, composition and operation of the board of directors to ensure effective decision making; (ii) reviews and assesses the size, composition and chairmen of all committees of the directors; and (iii) identifies and reviews candidates for appointment or nomination as directors of the Corporation based upon an assessment of the independence, skills, qualifications and experience of the candidate and makes recommendations to the directors for their consideration. In addition, the Governance and Compensation Committee is required under its charter to annually review the characteristics, qualities, skills and experience which form the criteria for candidates to be considered for nomination as directors of the Corporation. The objective of the review is to maintain the composition of the board of directors in a way that provides the best mix of skills and experience to provide for the overall stewardship of the Corporation. All directors are required to possess fundamental qualities of intelligence, honesty, integrity, ethical behavior, fairness and responsibility and to be committed to representing the long-term interests of the shareholders of the Corporation. They must also have a genuine interest in the Corporation, have the ability to be objective at all times about the best interests of the Corporation, have independent opinions on all issues and be both willing and able to state them in a constructive manner and be able to devote sufficient time to discharge their duties and responsibilities effectively.

The directors of the Corporation have the ability to increase or decrease the size of the board of directors within the limits set out in the articles and by-laws of the Corporation and applicable laws. The directors will determine the size of the board of directors having regard to the best interests of the Corporation. The directors believe that the size of the board of directors should be sufficient to provide a diversity of expertise and opinions and to allow effective committee organization, yet small enough to enable efficient meetings and decision-making and maximize full attendance at meetings of the directors of the Corporation. The directors of the Corporation will review the size of the board of directors if a change is recommended by the Governance and Compensation Committee.

Compensation

See "*Statement of Executive Compensation*" above for information regarding compensation made to certain executives and to directors of the Corporation.

Assessments

The Governance and Compensation Committee is mandated to undertake an annual assessment of the overall performance and effectiveness of the directors of the Corporation collectively and each committee thereof and to report on the results of such assessment to the directors of the Corporation. The purpose of the assessment is to ensure the continued effectiveness of the directors of the Corporation in discharging their duties and responsibilities and to contribute to a process of continuing improvement.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person (as that term is defined in NI 51-102) or any nominee for election as a director, or any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year of the Corporation that has materially affected or is reasonably expected to materially affect the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found under the Corporation's SEDAR profile at www.sedar.com. Financial information is provided in the consolidated financial statements and the management's discussion and analysis of the Corporation for the financial year ended December 31, 2018. Shareholders may also obtain these documents, without charge, upon request to the Corporation at its offices located at 82 Richmond Street East, Suite 200 Toronto, Ontario, M5C 1P1.

APPROVAL

The contents of this management information circular and the sending thereof to the shareholders of the Corporation have been approved by the directors of the Corporation.

DATED at Toronto, Ontario as of this 17th day of June, 2019.

By Order of the Board of Directors

(signed) "*Ben Cubitt*"

Ben Cubitt

President and Chief Executive Officer

SCHEDULE "A"

See attached.

COIN HODL INC.

SHARE OPTION PLAN

ARTICLE ONE

DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions.** For purposes of this Share Option Plan, unless such capitalized word or term is otherwise defined herein or the context in which such capitalized word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings: "**Blackout Period**" means a period of time during which (i) the trading guidelines of the Corporation, as amended or replaced from time to time, restrict one or more Participants from trading in securities of the Corporation or (ii) the Corporation has determined that one or more Participants may not trade any securities of the Corporation;

- (b) "**Blackout Period Expiry Date**" means the date on which a Blackout Period expires;
- (c) "**Business Day**" means a day on which the Stock Exchange is open for trading;
- (d) "**Committee**" means the Directors or, if the Directors so determine in accordance with Section 2.03 hereof, the committee of the Directors authorized to administer this Share Option Plan;
- (e) "**Common Shares**" means the common shares of the Corporation, as adjusted in accordance with the provisions of article five hereof from time to time;
- (f) "**Corporation**" means Coin Hodl Inc., a corporation existing under the *Business Corporations Act* (Ontario), and any successor thereof;
- (g) "**Designated Affiliates**" means the affiliates of the Corporation designated by the Committee for purposes of this Share Option Plan from time to time;
- (h) "**Directors**" means the directors of the Corporation from time to time;
- (i) "**Eligible Directors**" means the Directors or the directors of any Designated Affiliate from time to time;
- (j) "**Eligible Employees**" means employees and officers, whether Directors or not, of the Corporation or any Designated Affiliate, provided that such employees and officers are either individuals who are considered employees under the *Income Tax Act* (Canada) or individuals who work full-time, or on a continuing and regular basis for a minimum amount of time per week, for the Corporation or a Designated Affiliate providing services normally provided by an employee and who are subject to the same control and direction by the Corporation or a Designated Affiliate over the details and methods of work as an employee of the Corporation or a Designated Affiliate, but for whom income tax deductions are not made at source;
- (k) "**Employment Contract**" means any contract between the Corporation or any Designated Affiliate and any Eligible Employee, Eligible Director or Other Participant relating to, or

entered into in connection with, the employment or departure of the Eligible Employee, the appointment, election or departure of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Corporation or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Corporation or the termination of employment, appointment, election or engagement of such Participant;

- (l) "**Exercise Price**" has the meaning given to such term in Section 3.03 hereof;
- (m) "**Insider**" has the meaning given to such term in the policies of the TSX Venture Exchange;
- (n) "**Option**" means an option to purchase Common Shares granted pursuant to, or governed by, this Share Option Plan;
- (o) "**Optionee**" means a Participant to whom an Option has been granted pursuant to this Share Option Plan;
- (p) "**Option Period**" means the period of time during which the particular Option may be exercised, including as extended in accordance with Section 3.04 hereof;
- (q) "**Other Participant**" means, other than an Eligible Director or an Eligible Employee, any person engaged to provide ongoing management, advisory, consulting, technical or other services (other than services provided in relation to a distribution of securities of the Corporation) for the Corporation or a Designated Affiliate, or any employee of such person, under a written contract between the Corporation and such person, and who spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or a Designated Affiliate and has a relationship with the Corporation or a Designated Affiliate that enables such person to be knowledgeable about the business and affairs of the Corporation or Designated Affiliate, as the case may be;
- (r) "**Participant**" means each Eligible Director, Eligible Employee and Other Participant;
- (s) "**Share Option Plan**" means this share option plan as amended from time to time;
- (t) "**Stock Exchange**" means the TSX Venture Exchange or, if the Common Shares are not then listed on the TSX Venture Exchange, such other principal market on which the Common Shares are then traded as designated by the Committee from time to time;
- (u) "**Termination**" has the meaning given to such term in Section 3.11 hereof; and
- (v) "**U.S. Securities Act**" has the meaning given to such term in Section 4.02 hereof.

Section 1.02 **Securities Definitions.** In this Share Option Plan, the terms "affiliate", "associate" and "subsidiary" shall have the meaning given to such terms in the *Securities Act* (Ontario).

Section 1.03 **Headings.** The headings of all articles, sections, paragraphs and subparagraphs in this Share Option Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Share Option Plan.

Section 1.04 **Context, Construction.** Whenever the singular or masculine are used in this Share Option Plan the same shall be construed as being the plural or feminine or neuter or vice versa where the

context so requires. The word "person" shall be given the widest meaning possible and shall include, without limitation, an individual, a corporation, a partnership, a limited partnership or any other unincorporated entity.

Section 1.05 **References to this Share Option Plan.** The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Share Option Plan as a whole and not to any particular article, section, paragraph, subparagraph or other part hereof.

Section 1.06 **Canadian Funds.** Unless otherwise specifically provided, all references to dollar amounts in this Share Option Plan are references to lawful money of Canada.

ARTICLE TWO

PURPOSE AND ADMINISTRATION OF THIS SHARE OPTION PLAN

Section 2.01 **Purpose of this Share Option Plan.** This Share Option Plan provides for the potential acquisition of Common Shares by Participants for the purpose of advancing the interests of the Corporation through the motivation, attraction and retention of key employees, directors and consultants of the Corporation and the Designated Affiliates and to secure for the Corporation and the shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees, directors and consultants of the Corporation and the Designated Affiliates, it being generally recognized that share incentive plans can aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Corporation.

Section 2.02 **Administration of this Share Option Plan.** This Share Option Plan shall be administered by the Committee and the Committee shall have full authority to administer this Share Option Plan, including the authority to interpret and construe any provision of this Share Option Plan and to adopt, amend and rescind such rules and regulations for administering this Share Option Plan as the Committee may deem necessary or desirable in order to comply with the requirements of this Share Option Plan, subject in all cases to compliance with regulatory requirements. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Corporation. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Share Option Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Corporation with respect to any such action taken or determination or interpretation made. The appropriate officers of the Corporation are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of this Share Option Plan and of the rules and regulations established for administering this Share Option Plan. All costs incurred in connection with this Share Option Plan shall be for the account of the Corporation. This Share Option Plan shall be administered in accordance with the rules and policies of the TSX Venture Exchange by the Committee so long as the Common Shares are listed on the TSX Venture Exchange.

Section 2.03 **Delegation to Committee.** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors.

Section 2.04 **Record Keeping.** The Corporation shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee;

- (b) the number of Common Shares subject to Options granted to each Optionee; and
- (c) the aggregate number of Common Shares subject to Options.

Section 2.05 **Determination of Participants.** The Committee shall from time to time determine the Participants who may participate in this Share Option Plan. The Committee shall from time to time determine the Participants to whom Options shall be granted, the number of Common Shares to be made subject to, and the expiry date of, each Option granted to each Participant and the other terms, including any vesting provisions, of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of this Share Option Plan, and the Committee may take into consideration the present and potential contributions of, and the services rendered by, the particular Participant to the success of the Corporation and any other factors which the Committee deems appropriate and relevant. All Eligible Employees and Other Participants shall be bona fide Eligible Employees or Other Participants, as the case may be.

Section 2.06 **Maximum Number of Shares.**

- (a) The maximum number of Common Shares reserved for issue pursuant to this Share Option Plan shall not exceed, in the aggregate, 2,800,000 Common Shares.
- (b) The maximum number of Common Shares reserved for issue pursuant to Options granted under this Share Option Plan to Participants who are Insiders of the Corporation in any 12 month period shall not exceed 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (c) The maximum number of Common Shares reserved for issue to any one Participant upon the exercise of Options in any 12 month period shall not exceed 5% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (d) The maximum number of Common Shares reserved for issue to any one Other Participant upon the exercise of Options in any 12 month period shall not exceed 2% of the number of Common Shares then outstanding.
- (e) The maximum number of Common Shares reserved for issue to all Eligible Employees and to all Other Participants conducting Investor Relations Activities (as such terms are defined in the policies of the TSX Venture Exchange) upon the exercise of Options in any 12 month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding. Options granted to Other Participants performing Investor Relations Activities shall vest in stages over a 12 month period, with no more than $\frac{1}{4}$ of the Options vesting in any three month period. The Directors shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Corporation by all Optionees performing Investor Relations Activities.

All Common Shares reserved for issue upon the exercise of options outstanding under any share option plan (a "**Prior Plan**") of the Corporation that has received the approval of the shareholders of the Corporation prior to the date that this Share Option Plan becomes effective, shall be counted toward the maximum number of Common Shares permitted to be reserved for issue pursuant to any of the provisions of this Section 2.06.

ARTICLE THREE

SHARE OPTION PLAN

Section 3.01 **The Share Option Plan and Participants.** This Share Option Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

Section 3.02 **Option Notice or Agreement.** Each Option granted to a Participant may be evidenced by a stock option notice or stock option agreement setting out terms and conditions consistent with the provisions of this Share Option Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

Section 3.03 **Exercise Price.** The price per share (the "**Exercise Price**") at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that the Exercise Price shall be not less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of the grant of such Option less the maximum discount, if any, permitted by the Stock Exchange or, if the Common Shares are not then listed on any stock exchange, the Exercise Price shall not be less than the fair market value of the Common Shares as may be determined by the Directors on the day immediately preceding the date of the grant of such Option. Disinterested shareholder approval shall be required for any reduction in the Exercise Price of any Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment to the Exercise Price.

Section 3.04 **Term of Option.** The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to amendment by an Employment Contract, provided that in no event shall an Option Period exceed ten years. Notwithstanding the definition of Option Period contained herein or the foregoing, the expiration date of an Option will be the date fixed by the Directors with respect to such Option unless such expiration date falls within a Blackout Period or within ten days after a Blackout Period Expiry Date, in which case the expiration date of the Option will be the date which is ten Business Days after the Blackout Period Expiry Date. Disinterested shareholder approval shall be required for the extension of any Option Period if the Optionee is an Insider of the Corporation at the time of the proposed amendment to the Option Period.

Section 3.05 **Lapsed Options.** If Options granted under this Share Option Plan (or stock options granted under a Malbex Plan or a Prior Arapaho Plan) are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options (or such lapsed stock options).

Section 3.06 **Limit on Options to be Exercised.** Except as otherwise specifically provided herein or in any Employment Contract, Options may be exercised by the Optionee in whole at any time, or in part from time to time (in each case to the nearest full Common Share), during the Option Period only in accordance with the vesting schedule, if any, determined by the Committee, in its sole and absolute discretion, subject to the applicable requirements of the Stock Exchange, at the time of the grant of the Option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the Committee from time to time with respect to a particular Option. If the Committee does not determine a vesting schedule at the time of the grant of any particular Option, such Option shall be exercisable in whole at any time, or in part from time to time, during the Option Period, subject to the applicable requirements of the Stock Exchange. In the event that the Common Shares are listed on the TSX Venture Exchange, Options with an Exercise Price based on the Discounted Market Price (as such term is defined in the policies of the TSX Venture Exchange), and the

Common Shares issuable upon the exercise thereof, shall be subject to the restricted period and legending requirements imposed by the policies of the TSX Venture Exchange.

Section 3.07 Eligible Participants on Exercise. An Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in Section 3.10 or Section 3.11 hereof or in any Employment Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Corporation or a Designated Affiliate or in the employment of the Corporation or a Designated Affiliate and has been continuously an officer or so employed since the date of the grant of such Option, provided however that a leave of absence with the approval of the Corporation or such Designated Affiliate shall not be considered an interruption of employment for purposes of this Share Option Plan;
- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Corporation or a Designated Affiliate and has been such a director continuously since the date of the grant of such Option; and
- (c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting, technical or other services for the Corporation or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

Section 3.08 Payment of Exercise Price. The issue of Common Shares on the exercise of any Option shall be contingent upon receipt by the Corporation of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office of the Corporation together with a completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of this Share Option Plan. Subject to Section 3.12 hereof, upon an Optionee exercising an Option and paying the Corporation the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Corporation shall as soon as practicable thereafter issue and deliver a certificate representing the Common Shares so purchased.

Section 3.09 Acceleration on Take-over Bid, Consolidation, Merger, etc. In the event that:

- (a) the Corporation seeks or intends to seek approval from the shareholders of the Corporation for a transaction which, if completed, would constitute an Acceleration Event (as defined below); or
- (b) a person makes a bona fide offer or proposal to the Corporation or the shareholders of the Corporation which, if accepted or completed, would constitute an Acceleration Event,

the Corporation shall send notice to all Optionees of such transaction, offer or proposal as soon as practicable and, provided that the Committee has determined that no adjustment will be made pursuant to Section 5.06 hereof, (i) the Committee may, by resolution and notwithstanding any vesting schedule applicable to any Option or Section 3.06 hereof, permit all Options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an Option), so that the Optionee may participate in such transaction,

offer or proposal, and (ii) the Committee may accelerate the expiry date of such Options and the time for the fulfillment of any conditions or restrictions on such exercise.

In this Section 3.09, an Acceleration Event means:

- (a) the acquisition by any "offeror" (as defined in section 89 of the *Securities Act* (Ontario) as of the date hereof) of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
- (b) any consolidation, merger, statutory amalgamation or arrangement involving the Corporation and pursuant to which the Corporation will not be the continuing or surviving corporation or pursuant to which the Common Shares will be converted into cash or securities or property of another entity, other than a transaction involving the Corporation and in which the shareholders of the Corporation immediately prior to the completion of the transaction will have the same proportionate ownership of the surviving corporation immediately after the completion of the transaction;
- (c) a separation of the business of the Corporation into two or more entities;
- (d) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to another entity; or
- (e) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

Section 3.10 Effect of Death. If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Corporation or Designated Affiliate on behalf of the Other Participant, shall die, any outstanding Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 3.06 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of 12 months after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is earlier, and then only to the extent that such Optionee was entitled to exercise the Option at the date of the death of such Optionee in accordance with Sections 3.06, 3.07 and 3.11 hereof.

Section 3.11 Effect of Termination of Engagement. If a Participant shall:

- (a) cease to be a director of the Corporation or of a Designated Affiliate, as the case may be (and is not or does not continue to be an employee thereof), for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Corporation or the Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Corporation or any Designated Affiliate of the termination of his Employment Contract;

(the earliest to occur of any of the foregoing events being referred to herein as a "**Termination**"), except as otherwise provided in any Employment Contract, such Participant may, but only within the 90 days next succeeding such Termination, exercise the Options to the extent that such Participant was entitled to exercise such Options at the date of such Termination. Notwithstanding the foregoing or any Employment

Contract, in no event shall such right extend beyond the Option Period or one year from the date of Termination.

Section 3.12 **Necessary Approvals.** The obligation of the Corporation to issue and deliver any Common Shares in accordance with this Share Option Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Corporation. If any Common Shares cannot be issued to any Participant upon the exercise of an Option for whatever reason, the obligation of the Corporation to issue such Common Shares shall terminate and any exercise price paid to the Corporation in respect of the exercise of such Option shall be returned to the Participant.

ARTICLE FOUR

WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

Section 4.01 **Withholding Taxes.** The Corporation or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option, until such time as the Participant has paid the Corporation or any Designated Affiliate for any amount which the Corporation or the Designated Affiliate is required to withhold with respect to such taxes.

Section 4.02 **Securities Laws of the United States of America.** Neither the Options which may be granted pursuant to this Share Option Plan nor the Common Shares which may be issued pursuant to the exercise of Options have been registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Securities Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Option and/or issuing the Common Shares to the Participant, the Corporation is relying on the representations and warranties of the Participant to support the conclusion of the Corporation that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;
- (c) each certificate representing Common Shares so issued may be required to have the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM

REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144

OR 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE CORPORATION (WHICH WILL BE DELIVERED PROMPTLY AND WILL NOT BE UNREASONABLY WITHHELD, BUT WHICH MAY BE CONDITIONAL ON DELIVERY OF A LEGAL OPINION IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION), PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE CORPORATION IN CONNECTION WITH A SALE OF THE SECURITIES REPRESENTED HEREBY AT A TIME WHEN THE CORPORATION IS A "FOREIGN ISSUER" AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE CORPORATION, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and provided that the Corporation is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act at the time of such sale, such legend may be removed by providing a written declaration signed by the holder to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (A) represents and warrants that the sale of the securities of Malbex Resources Inc. (the "**Corporation**") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an affiliate of the Corporation as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on its behalf reasonably believe that the buyer was outside the United States or (B) the transaction was executed on or through the facilities of a Designated Offshore Securities Market and neither the undersigned nor any person acting on behalf thereof knows or has any reason to believe that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities"

(as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

- (d) other than as contemplated by paragraph 4.02(c) hereof, prior to making any disposition of any Common Shares acquired pursuant to this Share Option Plan which might be subject to the requirements of the U.S. Securities Act, the Participant shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by paragraph 4.02(c) hereof, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to this Share Option Plan or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Securities Act and then will only dispose of such Common Shares in the manner so proposed;
- (f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Common Shares acquired by the Participant pursuant to this Share Option Plan shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to this Share Option Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by paragraph 4.02(c) hereof.

ARTICLE FIVE

GENERAL

Section 5.01 **Effective Time of this Share Option Plan.** This Share Option Plan shall become effective upon a date to be determined by the Directors.

Section 5.02 **Amendment of Plan.** The Committee may from time to time in the absolute discretion of the Committee, subject to the applicable requirements of the Stock Exchange, amend, modify and change the provisions of this Share Option Plan or any Options granted pursuant to this Share Option Plan, provided that any amendment, modification or change to the provisions of this Share Option Plan or any Options granted pursuant to this Share Option Plan which would:

- (a) materially increase the benefits under this Share Option Plan or any Options granted pursuant to the Plan;
- (b) increase the number of Common Shares, other than by virtue of sections 5.06 and 5.07 hereof, which may be issued pursuant to this Share Option Plan; or
- (c) materially modify the requirements as to eligibility for participation in this Share Option Plan;

shall only be effective upon such amendment, modification or change being approved by the shareholders of the Corporation, and, if required, by any stock exchange or any other regulatory authority having jurisdiction over the securities of the Corporation. In addition, if an Optionee is an Insider of the Corporation at the time of an amendment, modification or change that would materially increase the benefits under any of his Options granted pursuant to this Shares Option Plan, the Corporation must obtain disinterested shareholder approval. This Share Option Plan may be amended, without obtaining the approval of the TSX Venture Exchange, to (i) reduce the number of Common Shares under Option, or (ii) increase the exercise price or cancel an Option, provided the Corporation issues a news release outlining the terms of the amendment. In the event that the Common Shares are listed on the TSX Venture Exchange, all other amendments to this Share Option Plan will require the approval of the TSX Venture Exchange.

Section 5.03 **Non-Assignable.** No rights under this Share Option Plan and no Option awarded pursuant to this Share Option Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 5.04 **Rights as a Shareholder.** No Optionee shall have any rights as a shareholder of the Corporation with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive any dividends, distributions or other rights declared for shareholders of the Corporation for which the record date is prior to the date of issue of certificates representing Common Shares acquired upon the exercise of Options of such Optionee.

Section 5.05 **No Contract of Employment.** Nothing contained in this Share Option Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Corporation or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Corporation or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of this Share Option Plan by a Participant shall be voluntary.

Section 5.06 **Consolidation, Merger, etc.** If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an Option under this Share Option Plan the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the Committee otherwise determines the basis upon which such Option shall be exercisable.

Section 5.07 **Adjustment in Number of Common Shares Subject to the Plan.** In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under this Share Option Plan;
- (b) the number of Common Shares subject to any Option; and
- (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Share Option Plan.

Section 5.08 Securities Exchange Take-over Bid. In the event that the Corporation becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement options to the Optionees on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement options have substantially the same economic value as the Options being surrendered; and
- (c) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

Section 5.09 No Representation or Warranty. The Corporation makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Share Option Plan.

Section 5.10 Participation through RRSPs and Holding Companies. Subject to the approval of the Committee, an Eligible Employee or Eligible Director may elect, at the time rights or Options are granted under this Share Option Plan, to participate in this Share Option Plan by holding any rights or Options granted under this Share Option Plan in a registered retirement savings plan established by such Eligible Employee or Eligible Director for the sole benefit of such Eligible Employee or Eligible Director or in a personal holding corporation controlled by such Eligible Employee or Eligible Director. For the purposes of this Section 5.10, a personal holding corporation shall be deemed to be controlled by an Eligible Employee or Eligible Director if (i) voting securities carrying 100% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation, and (ii) all of the equity securities of such corporation are directly held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director. In the event that an Eligible Employee or Eligible Director elects to hold the Options granted under this Share Option Plan in a registered retirement savings plan or personal holding corporation, such Eligible Employee or Eligible Director must submit certifications, undertakings or any other documents, if any, required by the Stock Exchange, and the provisions of this Share Option Plan shall continue to apply as if the Eligible Employee or Eligible Director held such Options directly.

Section 5.11 **Compliance with Applicable Law.** If any provision of this Share Option Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction over the securities of the Corporation, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

Section 5.12 **Interpretation.** This Share Option Plan shall be governed by, and be construed in accordance with, the laws of the Province of Ontario.

SCHEDULE "B"

NEW OPTION PLAN RESOLUTION

"BE IT RESOLVED THAT:

1. The New Option Plan of the Corporation attached as Schedule "A" to the Management Information Circular dated June 17, 2019 of the Corporation be, and the same hereby is, confirmed and approved as the New Share Plan of the Corporation, subject to such amendments as may be required by the TSX Venture Exchange."

SCHEDULE "C"

CHARTER OF THE AUDIT COMMITTEE

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the "**Committee**") of the directors (the "**Board**") of COIN Hodl Inc. ("**COIN Hodl**").

1. PURPOSE

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) financial reporting and disclosure requirements;
- (b) ensuring that an effective risk management and financial control framework has been implemented by management of COIN Hodl; and
- (c) external and internal audit processes.

2. COMPOSITION AND MEMBERSHIP

- (a) The members (collectively "**Members**" and individually a "**Member**") of the Committee shall be appointed by the Board to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director of COIN Hodl.
- (b) The Committee will consist of at least three Members. Every Member must be a director of COIN Hodl who is independent and financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules, regulations and stock exchange requirements (collectively "**Applicable Laws**"). In this Charter, the terms "independent" and "financially literate" have the meanings ascribed to such terms in Applicable Laws and include the meanings given to similar terms in Applicable Laws to the extent such similar terms are used in this Charter and are applicable under Applicable Laws.
- (c) The chairman of the Committee (the "**Chairman**") will be appointed by the Board and confirmed by the Committee or appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Board or Committee may determine in their business judgment is necessary. The secretary of COIN Hodl (the "**Secretary**") will be the secretary of all meetings and will maintain minutes of all meetings, deliberations and proceedings of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

3. MEETINGS

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Any Member or the auditor of COIN Hodl may call a meeting of the Committee at any time upon not less

than forty-eight (48) hours advance notice being given to each Member orally, by telephone, by facsimile or by email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.

- (b) At the request of the external auditors of COIN Hodl, the Chief Executive Officer or the Chief Financial Officer of COIN Hodl or any Member will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one of their number to act as chairman of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority of Members present at the meeting at which the vote is taken. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- (e) The Committee may invite from time to time such persons as the Committee considers appropriate to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee, except to the extent the exclusion of certain persons is required pursuant to this Charter or by Applicable Laws. The Committee will meet in camera without management at each meeting of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of COIN Hodl to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee as they relate to the following matters, to the extent considered appropriate or desirable or required by Applicable Laws, are to:

4.1 Financial Reporting and Disclosure

- (a) review and recommend to the Board for approval, the audited annual financial statements of COIN Hodl, including the auditors' report thereon, the management's discussion and analysis of COIN Hodl prepared in connection with the annual financial statements, financial reports of COIN Hodl, guidance with respect to earnings per share, and any initial public release of financial information of COIN Hodl through press release or otherwise, with such documents to indicate whether such information has been reviewed by the Board or the Committee;
- (b) review and approval of the quarterly financial statements of COIN Hodl including the management's discussion and analysis prepared in connection with the quarterly financial

statements, with such documents to indicate whether such information has been reviewed by the Board or the Committee;

- (c) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents;
- (d) review with management of COIN Hodl and with the external auditors of COIN Hodl significant accounting principles and disclosure issues and alternative treatments under Canadian generally accepted accounting principles ("GAAP") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly COIN Hodl's financial position and the results of its operations in accordance with Canadian GAAP;
- (e) annually review COIN Hodl's corporate disclosure policy and recommend any proposed changes to the Board for consideration; and
- (f) review the minutes from each meeting of the disclosure committee of COIN Hodl's established pursuant to COIN Hodl's corporate disclosure policy, since the last meeting of the Committee.

4.2 Internal Controls and Audit

- (a) review and assess the adequacy and effectiveness of COIN Hodl's system of internal control and management information systems through discussions with management and the external auditor of COIN Hodl to ensure that COIN Hodl maintains: (a) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect COIN Hodl's transactions; (b) effective internal control systems; and (c) adequate processes for assessing the risk of material misstatement of the financial statements of COIN Hodl and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of COIN Hodl at any particular time;
- (b) satisfy itself that management has established adequate procedures for the review of COIN Hodl's disclosure of financial information extracted or derived directly from COIN Hodl's financial statements;
- (c) periodically assess the adequacy of such systems and procedures to ensure compliance with regulatory requirements and recommendations;
- (d) review and discuss the major financial risk exposures of COIN Hodl and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
- (e) review and assess, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of COIN Hodl's risk management policies and procedures with regard to identification of COIN Hodl's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by COIN Hodl; and

- (f) review and assess annually, and in the Committee's discretion make recommendations to the Board regarding, the investment policy of COIN Hodl.

4.3 External Audit

- (a) recommend to the Board a firm of external auditors to be engaged by COIN Hodl;
- (b) ensure the external auditors report directly to the Committee on a regular basis;
- (c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (d) review and approve the compensation of the external auditors, and the scope and timing of the audit and other related services rendered by the external auditors;
- (e) review the audit plan of the external auditors prior to the commencement of the audit;
- (f) establish and maintain a direct line of communication with COIN Hodl's external and, if applicable, internal auditors;
- (g) meet in camera with only the auditors (if present), with only management (if present), and with only the Members at every Committee meeting;
- (h) review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;
- (i) oversee the work of the external auditors appointed by the shareholders of COIN Hodl with respect to preparing and issuing an audit report or performing other audit, review or attest services for COIN Hodl, including the resolution of issues between management of COIN Hodl and the external auditors regarding financial disclosure;
- (j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with management of COIN Hodl and the ramifications of their use, as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- (k) discuss with the external auditors their perception of COIN Hodl's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- (l) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and

- (m) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

4.4 Associated Responsibilities

- (a) monitor and periodically review the whistleblower policy of COIN Hodl and associated procedures for:
 - (i) the receipt, retention and treatment of complaints received by COIN Hodl regarding accounting, internal accounting controls or auditing matters;
 - (ii) the confidential, anonymous submission by directors, officers and employees of COIN Hodl of concerns regarding questionable accounting or auditing matters; and
 - (iii) any violations of any Applicable Laws that relate to corporate reporting and disclosure, or violations of the Code of Business Conduct & Ethics of COIN Hodl; and
- (b) review and approve the hiring policies of COIN Hodl regarding employees and partners, and former employees and partners, of the present and former external auditors of COIN Hodl.

4.5 Non-Audit Services

Pre-approve all non-audit services to be provided to COIN Hodl or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the Committee at its first scheduled meeting following such pre-approval.

4.6 Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that COIN Hodl's financial statements are complete and accurate or are in accordance with Canadian GAAP and applicable rules and regulations. These are the responsibilities of the management and the external auditors of COIN Hodl. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are directors of COIN Hodl, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of COIN Hodl, 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 COIN Hodl's financial information or public disclosure.

5. REPORTING

The Committee shall provide the Board with a summary of all actions taken at each Committee meeting or by written resolution. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Secretary will circulate the minutes of each meeting of the Committee and each written resolution passed by the Committee to the Board. The Committee shall produce and provide the Board with all reports or other information required to be prepared under Applicable Laws.

6. ACCESS TO INFORMATION AND AUTHORITY

The Committee will be granted unrestricted access to all information regarding COIN Hodl and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at COIN Hodl's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with external and, if applicable, internal auditors of COIN Hodl.

7. REVIEW OF CHARTER

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

8. CHAIR

The Chair of the Committee should:

- (a) provide leadership to the Committee with respect to its functions as described in this mandate and as otherwise may be appropriate, including overseeing the operation of the Committee;
- (b) chair meetings of the Committee, unless not present, including in camera sessions, and report to the Board following each meeting of the Committee on the activities and any recommendations of the Committee;
- (c) ensure that the Committee meets at least once per quarter and otherwise as considered appropriate;
- (d) in consultation with the Chairman of the Board and the Committee members, establish dates for holding meetings of the Committee;
- (e) set the agenda for each meeting of the Committee, with input from other Committee members, the Chairman of the Board, the Lead Director, if one, and any other appropriate persons;
- (f) ensure that Committee materials are available to any director upon request;

- (g) act as liaison and maintain communication with the Chairman of the Board and the Board to optimize and co-ordinate input from directors, and to optimize the effectiveness of the Committee. This includes reporting to the Board on all decisions 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; and
- (h) report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board.

Original Approval Date: December 3, 2009

Approved by: Audit Committee
Corporate Governance and Compensation Committee
Board of Directors