

EMERITA RESOURCES CORP. NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

You are invited to the special meeting of shareholders of Emerita Resources Corp. (the “**Corporation**”).

When: Wednesday, December 19, 2018 at 10:00 a.m. (Toronto time)

Where: 65 Queen Street West, 8th floor, Toronto, Ontario M5H 2M5

The purpose of the Meeting is as follows:

1. **Consolidation.** Consider and approve the consolidation of the Corporation’s common shares on the basis of up to five existing common shares for each new common share; and
2. **Other Business.** Consider other business as may properly come before the meeting or any postponement(s) or adjournment(s) thereof.

This notice is accompanied by a form of proxy and a management information circular (the “**Circular**”).

You may vote your shares by proxy if you are unable to attend the meeting. Please review the enclosed Circular and date, sign and return the enclosed form of proxy to the Corporation’s transfer agent by 10:00 a.m. (Toronto time) on Monday, December 17, 2018.

The directors of the Corporation have fixed the close of business on November 19, 2018 as the record date, being the date for the determination of the registered holders entitled to notice and to vote at the Meeting and any postponement(s) or adjournments(s) thereof.

DATED at Toronto, Ontario as of the 21st day of November, 2018

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “David Gower”

Chief Executive Officer

MANAGEMENT INFORMATION CIRCULAR

ABOUT THE SHAREHOLDER MEETING

November 21, 2018

Solicitation of Proxies

You have received this management information circular (the “**Circular**”) because you owned common shares (“**Common Shares**”) of Emerita Resources Corp. (“**Emerita**” or the “**Corporation**”) as of November 19, 2018. You are therefore entitled to vote at the special meeting of shareholders (the “**Meeting**”) to be held on December 19, 2018 and any postponement(s) or adjournment(s) thereof.

The Board of Directors (“**Board**”) of the Corporation has set the record date for the Meeting at November 19, 2018.

Management is soliciting your proxy for the Meeting. The Board has fixed 10:00 a.m. (Toronto time) on December 17, 2018 or 48 hours (excluding Saturdays, Sundays or holidays) before any postponement(s) or adjournment(s) of the Meeting, as the time by which proxies to be acted upon at the Meeting shall be deposited with the Corporation’s transfer agent. The costs of solicitation by management will be borne by the Corporation.

These materials are being sent to both registered and non-registered owners of Common Shares. The Corporation or its agent has obtained information regarding non-registered owners in accordance with the applicable securities regulatory requirements from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

The Corporation shall make a list of all persons who are registered shareholders of the Corporation (“**Shareholders**”) on the Record Date and the number of Common Shares registered in the name of each Shareholder on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his or her name as it appears on the list.

Unless otherwise stated, the information contained in this Circular is as of the date hereof.

Voting

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. You may appoint some other person or entity to represent you at the Meeting by inserting such person’s name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation indicated on the enclosed envelope not later than the times set out above.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder or by an attorney authorized in writing at 65 Queen Street West, Suite 815, Toronto, Ontario M5H 2M5 at any time up to and including the last business day preceding the day of the Meeting.

For registered Shareholders who do not receive physical delivery of the form of proxy by mail due to a postal disruption as a result of a Canada Post labour disruption or any other cause, the form of proxy for use by registered Shareholders is also available under the Corporation’s profile at www.sedar.com. In the event of a postal disruption, registered Shareholders are encouraged to complete the form of proxy and

return it by courier to TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 1S3 or by facsimile at (416) 595-9593, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in Ontario) before the time set for the Meeting.

Voting of Proxies

Registered Shareholders

You can vote in person or vote by proxy. Voting by proxy is the easiest way to vote because you can appoint anyone to be your proxyholder to attend the Meeting and vote your Common Shares according to your instructions. This person does not need to be a Shareholder. The executive officers named in the proxy form can act as your proxyholder and vote your Common Shares according to your instructions.

If you appoint the Emerita proxyholders and do not indicate your voting instructions, they will vote your Common Shares for the Consolidation (as defined below).

If you want to appoint someone else as your proxyholder, print that person's name in the blank space provided in the proxy form (or complete another proxy form) and send the form to the Corporation's transfer agent. Make sure this person is aware that you appointed them as your proxyholder and that they must attend the Meeting to vote on your behalf and according to your instructions. If you do not indicate your voting instructions, your proxyholder can vote as he or she sees fit.

At the time of printing this Circular, management is not aware of any amendments, variations or other matters to come before the Meeting. If other matters are properly brought before the meeting, your proxyholder can vote as he or she sees fit.

The transfer agent must receive the completed proxy form by 10:00 a.m. (Toronto time) on December 17, 2018 or 48 hours (excluding Saturdays, Sundays or holidays) before any postponement(s) or adjournment(s) of the Meeting.

Non-Registered Shareholders

Non-registered Shareholders ("**Non-Registered Shareholders**") are those holders who beneficially own Common Shares registered in the name of an intermediary with whom the Non-Registered Shareholder deals in respect of the Common Shares, such as, banks, trust companies, securities dealers (all, an "**Intermediary**") or in the name of a clearing agency such as CDS&Co. Securities laws require the Corporation to send the Meeting materials to the Intermediaries and clearing agencies so they can distribute them to our Non-Registered Shareholders.

Intermediaries and clearing agencies must forward the Meeting materials to Non-Registered Shareholders unless the Non-Registered Shareholder has waived the right to receive them. If you're a Non-Registered Shareholder and have not waived the right to receive the materials, your package includes either a voting instruction form (not signed by your intermediary), or a proxy form (signed by your intermediary).

Either form instructs your Intermediary (the registered Shareholder) to vote your Common Shares according to your instructions. Be sure to send back your completed form as soon as possible to ensure your Intermediary carries out your voting instructions.

Non-Registered Shareholders who do not receive physical delivery of their voting instruction form and control number by mail due to a postal disruption as a result of a Canada Post labour disruption or other cause may obtain their control number and online or telephonic voting instructions by contacting their Intermediary that holds their Common Shares.

We encourage Non-Registered Shareholders to review such instructions carefully and contact their Intermediary promptly to obtain their required control number or provide instructions to vote on their behalf and thereby ensure their vote is recorded through the internet and telephone system.

Voting Securities and Principal Holders

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of the Record Date, the Corporation has 142,095,829 Common Shares issued and outstanding.

To the knowledge of the directors and officers of the Corporation, as at the Record Date, there are no shareholders who beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to the voting securities of the Corporation.

BUSINESS OF THE MEETING

No informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since October 1, 2017 or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries.

Approval of Share Consolidation

The Corporation is contemplating consolidating its shares by exchanging up to every five existing common shares of the Corporation into one new common share (the “**Consolidation**”). Accordingly, at the Meeting, shareholders will be asked to consider and, if thought fit, to pass a special resolution as set forth below hereto authorizing the Corporation to consolidate the shares of the Corporation. The Board shall in its sole discretion determine the Consolidation ratio that results in the Corporation continuing to meet the distribution requirements of the TSX Venture Exchange (the “**Exchange**”). Subject to the approval of the Exchange, approval of the special resolution by holders of Common Shares would give the Board authority to implement the Consolidation at any time in the following twelve months. Notwithstanding approval of the proposed Consolidation by Shareholders, the Board, in its sole discretion, may revoke the special resolution and abandon the Consolidation without further approval or action by or prior notice to Shareholders.

The background to and reasons for the Consolidation, and certain risks associated with the Consolidation and related information, are described in Schedule “A” of the Circular.

No Fractional Shares to be Issued

No fractional Common Shares will be issued in connection with the Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional Common Share upon the Consolidation, such fraction will be rounded down to the nearest whole number.

Effects of the Consolidation on the Common Shares

If approved and implemented, the Consolidation will occur simultaneously for all of the Common Shares and the Consolidation ratio will be the same for all of such Common Shares. Except for any variances attributable to fractional shares, the change in the number of issued and outstanding Common Shares that will result from the Consolidation will cause no change in the capital attributable to the Common Shares and will not materially affect any Shareholder’s percentage ownership in the Corporation, even though such ownership will be represented by a smaller number of Common Shares.

In addition, the Consolidation will not materially affect any Shareholder’s proportionate voting rights. Each Common Share outstanding after the Consolidation will be entitled to one vote and will be fully paid and non-assessable.

The principal effects of the Consolidation will be that the number of Common Shares issued and outstanding will be reduced from 142,095,829 Common Shares as of November 19, 2018 and as of the date hereof to approximately 28,419,165 Common Shares, assuming a Consolidation ratio of 5 to 1. The implementation of the Consolidation would not affect the total shareholders' equity of the Corporation or any components of shareholders' equity as reflected on the Corporation's financial statements except: (i) to change the number of issued and outstanding Common Shares; and (ii) to change the stated capital of the Common Shares to reflect the Consolidation.

Procedure for Implementing the Consolidation

If the special resolution is approved by Shareholders and the Board decides to implement the Consolidation, the Corporation will promptly file articles of amendment with the Director under the *Business Corporations Act* (Ontario) ("**OBCA**"). The Consolidation will become effective on the date shown in the certificate of amendment issued by the Director under the OBCA or such other date indicated in the articles of amendment provided that, in any event, such date will be prior to the next annual meeting of Shareholders.

No Dissent Rights

Under the OBCA, Shareholders do not have dissent and appraisal rights with respect to the proposed Consolidation.

Resolution

The text of the special resolution, which will be submitted to Shareholders at the Meeting, is set forth below. For the reasons indicated herein, the Board and management of the Corporation believe that the proposed Consolidation is in the best interests of the Corporation and, accordingly, recommend that Shareholders vote FOR the special resolution. To be effective, the Consolidation must be approved by not less than two-thirds (66⅔%) of the votes cast by holders of Common Shares present in person or represented by proxy and entitled to vote at the Meeting.

BE IT RESOLVED, AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS, THAT:

1. The Corporation is hereby authorized to amend its articles of continuance to provide that:
 - a. the authorized capital of the Corporation is altered by consolidating all of the issued and outstanding common shares of the Corporation ("Common Shares") without par value on the basis of one (1) post-consolidation Common Share for up to every five (5) pre-consolidation Common Shares;
 - b. in the event that the consolidation would otherwise result in the issuance of a fractional Common Share, no fractional Common Share shall be issued and such fraction will be rounded down to the nearest whole number; and
 - c. the effective date of such consolidation shall be the date shown in the Certificate of Amendment issued by the Director appointed under the *Business Corporations Act* (Ontario) or such other date indicated in the articles of amendment provided that, in any event, such date shall be prior to the next annual meeting of Shareholders.
2. Any director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute, or to cause to be executed, whether under the corporate seal of the Corporation or otherwise, and to deliver or cause to be delivered all such other documents and instruments, and to do or cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to carry out the intent of this special resolution, including, without

limitation, the determination of the effective date of the consolidation and the delivery of articles of amendment in the prescribed form to the Director appointed under the *Business Corporations Act* (Ontario), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.

3. Notwithstanding the foregoing, the directors of the Corporation are hereby authorized, without further approval of or notice to the Shareholders of the Corporation, to revoke this special resolution at any time before a certificate of amendment is issued by the Director.

The Board of Directors recommends that Shareholders vote for the adoption of the resolution. In order to be effective, the resolution must be approved by two-thirds of the votes cast at the Meeting in respect of such resolution.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE SPECIAL RESOLUTION APPROVING THE SHARE CONSOLIDATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

In the event that the Corporation proceeds with the Consolidation, it will send letters of transmittal to holders of Common Shares for use in transmitting their share certificates to the Corporation's registrar and transfer agent, TSX Trust Company, in exchange for new certificates of the Corporation. Once a Certificate of Amendment (or the equivalent) is obtained and properly completed letters of transmittal together with any share certificates representing Common Shares issued prior to the Consolidation have been received in accordance with instructions contained in the letters of transmittal, certificates for the appropriate number of Common Shares reflecting the Consolidation will be issued.

ADDITIONAL INFORMATION AND CONTACT INFORMATION

Additional Information

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at www.sedar.com. Shareholders may also request documents from the Corporation's corporate secretary by email at dlopez@fmresources.ca or by telephone at (416) 861-2269.

Board of Directors Approval

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

"David Gower"

Chief Executive Officer

Toronto, Ontario
November 21, 2018

SCHEDULE "A"

Background to and reasons for the Consolidation

The Board believes that it is in the best interests of the Corporation to reduce the number of outstanding Common Shares by way of the Consolidation. The potential benefits of the Consolidation include:

- *Greater investor interest* – a higher post-consolidation Common Share price could help generate interest in the Corporation among investors, as a higher anticipated Common Share price may: (i) meet investing guidelines for certain institutional investors and investment funds that may be prevented under their investing guidelines from investing in the Common Shares at current price levels; and (ii) allow investors to leverage their investment by meeting margin eligibility requirements;
- *Reduction of shareholder transaction costs* – investors may benefit from relatively lower trading costs associated with a higher Common Share price. It is likely that many investors pay commissions based on the number of Common Shares traded when they buy or sell Common Shares. If the Common Share price were higher, investors may pay lower commissions to trade a fixed dollar amount than they would if the Common Share price is lower;
- *Improved trading liquidity* – the combination of potentially lower transaction costs and increased interest from investors may ultimately improve the trading liquidity of the Common Shares; and
- *Raise additional capital at a higher price per share* – the higher anticipated price of the post-consolidation Common Shares will allow the Corporation to raise additional capital through the sale of additional Common Shares at a higher price per Common Share than would be possible in the absence of the Consolidation. The TSX Venture Exchange prohibits issuing securities at a price per security of less than \$0.05. In the absence of the Consolidation, the Corporation may not be able to raise additional capital if the price of its Common Shares does not exceed \$0.05.

The Consolidation is subject to regulatory approval, including approval of the Exchange. As a condition to the approval of a consolidation of shares listed for trading on the Exchange, the Exchange requires, among other things, that an Exchange-listed issuer continue to meet the Exchange's "Listing Requirements" after the Consolidation. In order for the Corporation to continue to meet the applicable Listing Requirements, the Corporation must have at least 150 "public shareholders" (as defined under Exchange policies) holding a certain minimum number of common shares of the Corporation, each free of "resale restrictions" (as defined under Exchange policies), after completion of the Consolidation. As a result, management of the Corporation may determine that it is necessary to implement a lower Consolidation ratio in order to satisfy the applicable Listing Requirements and obtain approval of the Consolidation from the Exchange. Management of the Corporation may also determine to implement a lower Consolidation ratio for other reasons, such as to adjust to a higher stock price for the Corporation's shares or to reflect an increase in the actual or expected value of the Corporation's assets.

If the special resolution is approved, the Consolidation would be implemented, if at all, only upon a determination by the Board that it is in the best interests of the Corporation at that time. In connection with any determination to implement the Consolidation, the Board will set the timing for the Consolidation to become effective, which the Board currently anticipates will be as soon as practicable following the Meeting. No further action on the part of Shareholders would be required in order for the Board to implement the Consolidation.

If the Board does not implement the Consolidation prior to the next annual meeting of Shareholders, the authority granted by the special resolution to implement the Consolidation on these terms would lapse and be of no further force or effect. The special resolution also authorizes the Board to elect not to proceed with, and abandon, the Consolidation at any time if it determines, in its sole discretion, to do so.

No delivery of a certificate evidencing a post-consolidation Common Share will be made to a Shareholder until the Shareholder has surrendered the issued certificates representing its pre-consolidation Common Shares. Until surrendered, each certificate formerly representing pre-consolidation Common Shares shall be deemed for all purposes to represent the number of post-consolidation Common Shares to which the holder is entitled as a result of the Consolidation.

Non-registered Shareholders, holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have various procedures for processing the Consolidation. If a Shareholder holds Common Shares with such a bank, broker or other nominee and has any questions in this regard,

the Shareholder is encouraged to contact its nominee. No fractional shares will be issued upon the consolidation of the Common Shares.

Certain Risks associated with the Consolidation

The Corporation's total market capitalization immediately after the proposed Consolidation may be lower than immediately before the proposed Consolidation

There are numerous factors and contingencies that could affect the Common Share price prior to or following the Consolidation, including the status of the Corporation's reported financial results in future periods, and general economic, geopolitical, stock market and industry conditions. Accordingly, the market price of the Common Shares may not be sustainable at the direct arithmetic result of the Consolidation and may be lower. If the market price of the Common Shares is lower than it was before the Consolidation on an arithmetic equivalent basis, the Corporation's total market capitalization (the aggregate value of all Common Shares at the then market price) after the Consolidation may be lower than before the Consolidation.

A decline in the market price of the Common Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of the Consolidation, and the liquidity of the Common Shares could be adversely affected following the Consolidation.

If the Consolidation is implemented and the market price of the Common Shares declines, the percentage decline may be greater than would occur in the absence of the Consolidation. The market price of the Common Shares will, however, also be based on the Corporation's performance and other factors, which are unrelated to the number of Common Shares outstanding. Furthermore, the liquidity of the Common Shares could be adversely affected by the reduced number of Common Shares that would be outstanding after the Consolidation.

The Consolidation may result in some Shareholders owning "odd lots" of less than 100 Common Shares on a post-consolidation basis, which may be more difficult to sell, or require greater transaction costs per Common Share to sell. The Consolidation may result in some Shareholders owning "odd lots" of less than 100 Common Shares on a post-consolidation basis. "Odd lots" may be more difficult to sell, or require greater transaction costs per Common Share to sell, than Common Shares held in "board lots" of even multiples of 100 Common Shares.