

# CONFEDERATION MINERALS LTD.

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## INFORMATION CIRCULAR

as at November 6, 2017 (except as otherwise indicated)

**This Information Circular is furnished in connection with the solicitation of proxies by the management of CONFEDERATION MINERALS LTD. (the “Company”) for use at the annual general meeting (the “Meeting”) of its shareholders to be held on December 12, 2017 at the time and place and for the purposes set forth in the accompanying notice of the Meeting.**

In this Information Circular, references to “the Company”, “Confederation Minerals”, “we” and “our” refer to Confederation Minerals Ltd. “Common Shares” means common shares without par value in the capital of the Company. “Beneficial Shareholders” means shareholders who do not hold Common Shares in their own name and “intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders.

## GENERAL PROXY INFORMATION

### Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors, officers and regular employees of the Company. The Company will bear all costs of this solicitation. We have arranged for intermediaries to forward the meeting materials to beneficial owners of the Common Shares held of record by those intermediaries and we may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

### Appointment of Proxyholders

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

### Voting by Proxyholder

The persons named in the Proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The Proxy confers discretionary authority on the persons named therein with respect to:

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

**In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

### Registered Shareholders

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered shareholders may choose one of the following options to submit their proxy:

- (a) complete, date and sign the Proxy and return it to the Company’s transfer agent, Computershare Investor Services Inc. (“Computershare”), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;

- (b) use a touch-tone phone to transmit voting choices to a toll free number. Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the toll free number, the holder's account number and the control number; or
- (c) use the internet through the website of the Company's transfer agent at [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or the adjournment thereof, at which the proxy is to be used.

### **Beneficial Shareholders**

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

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

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

You should carefully follow the instructions of your broker or intermediary in order to ensure that your Common Shares are voted at the Meeting.

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

### **Notice to Shareholders in the United States**

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

## **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered shareholder or the registered shareholder's authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare, at any time up to and including the last business day that precedes the day of the Meeting or, if the Meeting is adjourned, the last business day that precedes any reconvening thereof, or to the chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered shareholder's Common Shares.

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

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and as may be set out herein.

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

The board of directors (the "Board") of the Company has fixed November 6, 2017 as the record date (the "Record Date") for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

As of November 6, 2017, there were 10,582,181 Common Shares issued and outstanding, each carrying the right to one vote. No group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to the Common Shares. The Company has no other classes of voting securities.

The Company is authorized to issue an unlimited number of Common Shares without par value.

To the knowledge of the directors and executive officers of the Company, there are no persons or corporations that beneficially owned, directly or indirectly, or exercised control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company as at November 6, 2017.

## **Certain corporate actions made during financial year ended June 30, 2017 and current to the date of this Information Circular**

On May 23, 2017:

- David Velisek was appointed Chairman of the Company
- Dr. Lawrence Dick resigned as President and Chief Executive Officer and a Director of the Company
- Dr. Carl Hering was appointed President and Chief Executive Officer and a Director of the Company
- Ronald W. Stewart was appointed a Director of the Company

On August 29, 2017:

- Dr. Carl Hering resigned as President and Chief Executive Officer of the Company
- David Velisek was appointed interim President and Chief Executive Officer of the Company

On October 4, 2017 Ronald W. Stewart resigned as a Director of the Company

On October 13, 2017 Dr. Carl Hering resigned as a Director of the Company

On October 19, 2017 Robert Kang was appointed a Director of the Company.

## FINANCIAL STATEMENTS

The audited financial statements of the Company for the Company's fiscal year ending June 30, 2017, the report of the auditor thereon and the related management's discussion and analysis were filed on SEDAR at [www.sedar.com](http://www.sedar.com) on October 27, 2017, and will be tabled at the Meeting and will be available at the Meeting.

## ELECTION OF DIRECTORS

The Company currently has three directors. Management has determined the number of directors to be elected at the Meeting at three. The term of office of those nominees set out below, who are presently directors of the Company, will expire as of the date of the Meeting. All of the directors of the Company who are elected at the Meeting will have their term of office expire at the next annual general meeting or at such time when their successors are duly elected or appointed in accordance with the Company's Articles, or with the provisions of applicable corporate legislation or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the Board.

The following disclosure sets out the names of management's three nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Common Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at November 6, 2017:

| <b>Name of Nominee;<br/>Current Position with the<br/>Company and Province or State<br/>and Country of Residence</b>               | <b>Principal Occupation</b>   | <b>Period as a<br/>Director of the<br/>Company</b>  | <b>Common<br/>Shares<br/>Beneficially<br/>Owned or<br/>Controlled<sup>(1)</sup></b> |
|--|---|---|---|
| David Velisek <sup>(3)</sup><br>British Columbia, Canada<br>Chairman, Interim President, Chief<br>Executive Officer and a Director | Manager, Corporate<br>Development at Baron Global<br>Financial Canada Ltd. from 2009<br>to present; Equities Trader and<br>Investment Adviser at Bolder<br>Investment Partners, Ltd. from<br>2006 to 2008; Proprietary<br>Equities Trader at Bright Trading<br>from 2003 to 2006. | Director Since<br>April 20, 2015<br><br>Chairman Since<br>May 23, 2017<br><br>Interim President<br>and Chief<br>Executive Officer<br>Since August 29,<br>2017 | 65,790 <sup>(2)</sup>   |
| Denise Lok <sup>(3)</sup><br>British Columbia, Canada<br>Director  | Senior Manager, Corporate<br>Finance at Baron Global<br>Financial Canada from May 2009<br>to present; Senior Associate of<br>PricewaterhouseCoopers LLP<br>from October 2005 to February<br>2007.   | Since April 17,<br>2015   | Nil   |
| Robert Kang <sup>(3)</sup><br>British Columbia, Canada<br>Director   | Chartered Accountant; previously<br>with the TMX Group since 1992<br>and served most recently as the<br>Director of Listings for the TSX<br>Venture Exchange.<br><br><i>See New Director Biography<br/>below.</i>   | Since October 19,<br>2017   | Nil   |

Notes:

- (1) The information as to principal occupation, business or employment and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees.
- (2) David Velisek holds 65,790 warrants to purchase 65,790 common shares in the share capital of the Company at an exercise price of \$0.56 expiring on October 28, 2018.
- (3) Member of the Company's Audit Committee.

#### New Director Biography – Robert Kang

Mr. Kang was appointed a director of the Company on October 19, 2017. Mr. Kang has a combined 27 years of public practice and company management on advising corporations and their executives regarding financing, mergers and acquisitions, going public transactions, continuous disclosure obligations, and corporate governance.

Mr. Kang was previously with the TMX Group since 1992 and served most recently as the Director of Listings for the TSX Venture Exchange. As the Director of Listings in the Vancouver office, Mr. Kang was responsible for overseeing all listings functions for junior issuers on the TSX Venture Exchange, as well as developing and implementing policies that were relevant to the financial climate in which issuers participated in the Canadian capital markets.

Mr. Kang received a Bachelor of Commerce degree from the University of British Columbia in 1988 and obtained his Chartered Accountant designation at Ernst and Young LLP, Chartered Professional Accountants.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

A shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **Unless otherwise instructed, the named proxyholders will vote FOR the election of each of the proposed nominees set forth above as directors of the Company. At the Meeting the above persons will be nominated for election as director as well as any person nominated pursuant to the Advance Notice Provision (see below). Only persons nominated by management pursuant to this Information Circular or pursuant to the Advance Notice Provision will be considered valid director nominees eligible for election at the Meeting.**

#### **Advance Notice Provision**

At the Company's special meeting held on June 10, 2016, the Company's shareholders approved the adoption of new Company's articles, to include advance notice provisions (the "**Advance Notice Provision**"). The Advance Notice Provision provides for advance notice to the Company in circumstances where nominations of persons for election to the Board of directors of the Company are made by shareholders of the Company other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the *Business Corporations Act* (British Columbia) or (ii) a shareholder proposal made pursuant to the provisions of the BCA.

The purpose of the Advance Notice Provision is to foster a variety of interests of the shareholders and the Company by ensuring that all shareholders - including those participating in a meeting by proxy rather than in person - receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Common Shares must submit director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the minimum information that a shareholder must include in the notice to the Company for the notice to be in proper written form.

The Advance Notice Provision also requires all proposed director nominees to deliver a written representation and agreement that such candidate for nomination, if elected as a director of the Company, will comply with all applicable corporate governance, conflict of interest, confidentiality, share ownership, majority voting and insider trading policies and other policies and guidelines of the Company applicable to directors and in effect during such person's term in office as a director.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision in the Company's Altered Articles, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Company did not receive notice of a nomination in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Company will be disregarded at the Meeting.

**Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the election of the Nominees.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

## APPOINTMENT OF AUDITOR

Davidson & Company LLP, Chartered Professional Accountants, 1200 – 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, British Columbia, Canada V7Y 1G6, will be nominated at the Meeting for re appointment as auditor of the Company. **The Board recommends that you vote in favour of the re appointment of Davidson & Company LLP. Unless otherwise instructed, at the Meeting the proxyholders named in the Company’s form of Proxy or Voting Instruction Form will vote FOR the appointment of Davidson & Company LLP.**

## AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITOR

National Instrument 52-110 *Audit Committees* of the Canadian Securities Administrators (“NI 52-110”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

### The Audit Committee’s Charter

The Company has an Audit Committee Charter, which is attached as Schedule “A” to this Information Circular.

### Composition of the Audit Committee

The current members of the Company’s audit committee are Denise Lok (Chair), David Velisek and Robert Kang. David Velisek, the Company’s Interim President and Chief Executive Officer, is not “independent” as defined in National Instrument 52-110 *Audit Committees*. Denise Lok and Robert Kang are independent. All of the Committee members are “financially literate”, as defined in NI 52-110, as all have the industry experience necessary to understand and analyze financial statements of the Company, as well as the understanding of internal controls and procedures necessary for financial reporting.

The Audit Committee is responsible for review of both interim and annual financial statements and the management’s discussion and analysis (“MD&A”) for the Company. For the purposes of performing their duties, the members of the Audit Committee have the right at all times, to inspect the books and financial records of the Company and any subsidiaries and to discuss with management and the external auditors of the Company any accounts, records and matters relating to the financial statements and MD&A of the Company. The Audit Committee members meet periodically with management and annually with the external auditors.

### Relevant Education and Experience

NI 52-110 provides that an individual is “financially literate” if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

**David Velisek** was appointed a director of the Company on April 20, 2015 and was appointed the President and Chief Executive Officer of the Company on August 29, 2017. Mr. Velisek is currently employed with Baron Global Financial Canada Ltd. as Manager, Corporate Development. Mr. Velisek has been involved in capital markets for over 10 years in investor relations, as trader of equities, options and futures as well as an investment advisor.

Mr. Velisek obtained financial experience through his years of analyzing financial statements and performance measurement ratios during his years as an investment advisor.

**Denise Lok** was appointed a director of the Company on April 17, 2015. Ms. Lok is currently employed with Baron Global Financial Canada Ltd. as Manager, Corporate Finance.

Ms. Lok is a Chartered Accountant and holds a Bachelor of Commerce degree in Accounting and Transportation Logistics from the University of British Columbia.

*Refer to New Director Biography – Robert Kang above.*

### Audit Committee Oversight

Since the commencement of the Company’s most recently completed financial year, the Board has not failed to adopt any recommendations of the Audit Committee to nominate or compensate an external auditor.

### Reliance on Certain Exemptions

At June 30, 2017, the Company’s auditor, Davidson & Company LLP, did not provide any material non-audit services.

## Pre-Approval Policies and Procedures

Specific policies for the engagement of non-audit services are referred to in the Company’s Audit Committee Charter attached as Schedule “A” to this Information Circular.

## External Auditor Service Fees

The Audit Committee has reviewed the nature and amount of the non-audited services provided by Davidson & Company LLP to the Company to ensure auditor independence. Fees incurred with Davidson & Company LLP for audit and non-audit services in the Company’s financial year ended June 30, 2017 are set out below:

| <b>.Nature of Services</b>        | <b>Fees Paid in Year Ended June 30, 2016.</b> | <b>Fees Paid in Year Ended June 30, 2017.</b> |
|-----------------------------------|---|---|
| Audit Fees <sup>(1)</sup>         | \$15,000                                      | \$20,000                                      |
| Audit-Related Fees <sup>(2)</sup> | \$300   | \$400   |
| Tax Fees <sup>(3)</sup>           | \$2,250                                       | \$1,500                                       |
| All Other Fees <sup>(4)</sup>     | \$Nil   | \$Nil   |
| <b>Total</b>                      | <b>\$17,550</b>                               | <b>\$21,900</b>                               |

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of the Company’s consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

## Exemption

The Company is a “venture issuer” under NI 52-110 and pursuant to NI 52-110, section 6.1, the Company is exempt from the requirements of Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of NI 52-110.

## CORPORATE GOVERNANCE

### General

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

### Board of Directors

The Board is currently composed of David Velisek, Denise Lok and Robert Kang. All of the proposed nominees for election as directors are currently directors of the Company. National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NI 58-101 suggests that a board of directors should include a number of directors who do not have interests in either the company or the significant shareholder.

The independent members of the Board are Denise Lok and Robert Kang within the meaning of NI 58-101. David Lok, an executive officer of the Company, is considered to be “non-independent”.

The Board meets formally on an as needed basis to review and discuss the Company’s business activities, and to consider

and if thought fit, to approve matters presented to the Board for approval, and to provide guidance to management. In addition, management informally provides updates to the Board at least once per quarter between formal meetings. In general, management consults with the Board when deemed appropriate to keep it informed regarding the Company's affairs.

The Board facilitates the exercise of independent supervision over management through these various meetings. At present, the Board does not have any formal committees other than its audit committee. When necessary, the Board will strike a special committee of independent directors to deal with matters requiring independence. The composition of the Board is such that the independent directors have significant experience in business affairs and, as a result, these directors are able to provide significant and valuable independent supervision over management.

In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his fiduciary obligations as a director of the Company, disclose the nature and extent of his interest to the meeting and abstain from voting on or against the approval of such participation.

### **Directorships**

The Company directors currently serving on boards of the following other reporting companies (or equivalent) are as set out below:

| <b>Name of Director</b> | <b>Name of Reporting Issuer</b>                                   | <b>Exchange Listed</b>            |
|-------------------------|---|-----------------------------------|
| David Velisek           | Amador Gold Corp.   | NEX                               |
|                         | Lifestyle Delivery Systems Inc. (formerly Kariana Resources Inc.) | Canadian Securities Exchange      |
| Denise Lok              | Jayden Resources Inc.   | TSX Venture Exchange              |
| Robert Kang             | BetterU Education Corp.   | TSX Venture Exchange              |
|                         | Bluerock Ventures Corp.   | TSX Venture Exchange              |
|                         | Maple Peak Investments Inc.                                       | TSX Venture Exchange              |
|                         | ME Resource Corp.   | Canadian Securities Exchange; OTC |

### **Orientation and Continuing Education**

When new directors are appointed to the Board, they are provided with access to recent publicly filed documents of the Company, all reports and the Company's internal financial information, access to management, experts and consultants, and a summary of significant corporate and securities responsibilities.

Board members are encouraged to communicate with management, auditors and technical consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### **Ethical Business Conduct**

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

The Company has established a written code of conduct for its directors, officers and employees of the Company. In addition, each director, officer and employee of the Company is also expected to comply with relevant corporate and securities laws and, where applicable as well as with the Company's Insider Trading Policy, and Communications and Corporate Disclosure Policy.

### **Nomination of Directors**

The Board is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

### **Compensation**

The Board is responsible for determining the compensation for executive members. The Board reviews the performance of the Chief Executive Officer in light of the Company's objectives.

### **Other Board Committees**

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

### **Assessments**

The Board regularly monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and its committees.

## **STATEMENT OF EXECUTIVE COMPENSATION – Venture issuers**

### **Named Executive Officer**

In this section "Named Executive Officer" ("NEO") means the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO") and the most highly compensated executive officers, other than the CEO and CFO, who was serving as executive officer at the end of the most recently completed financial year and whose total compensation was more than \$150,000, as well as any additional individual for whom disclosure would have been provided except that the individual was not serving as an executive officer of the Company at the end of the most recently completed financial year.

### **Director and Named Executive Officer Compensation**

David Velisek, Interim President and Chief Executive Officer and Savio Chiu, Chief Financial Officer and Corporate Secretary, are each a Named Executive Officer ("NEO") of the Company for the purposes of the following disclosure and Dr. Lawrence Dick, former President and Chief Executive Officer and director, Carl Hering, former President and Chief Executive Officer and director, Denise Lok, director and former director, Ronald W. Stewart, for the purposes of the following disclosure.

### **Oversight and Description of Director and NEO Compensation**

The Board as a whole assumes responsibility for reviewing and monitoring compensation for the Company's senior management, and as part of that mandate determines the compensation of the Company's CEO and CFO. The Board wishes to provide information about the Company's executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs and directors listed in the compensation tables that follow.

The Company has a share option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Company proposes share option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The share option plan is administered by the Board and provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

The Company regards the strategic use of incentive stock options as a cornerstone of the Company's compensation plan. It applies to personnel at all levels and continues to be one of the Company's primary tools for attracting, motivating and retaining qualified personnel, which is critical to the Company's success. The Company is committed to long-term incentive programs that promote the continuity of an excellent management team and, therefore, the long-term success of the Company. The Company established a formal plan under which stock options may be granted to directors, officers, employees and consultants of the Company as an incentive to serve the Company in attaining its goal of improved shareholder value. The Board and the Company are responsible for administering the Company's share option plan and determining the type and amount of compensation to be paid to directors, officers, employees and consultants of the Company including the awards of any incentive stock options under the share option plan. Incentive stock options are typically part of the overall compensation package for executive officers and employees.

### *Bonus*

Bonuses are performance based on short-term financial incentives and will be paid based on certain indicators such as personal performance, team performance and/or Company financial performance. Bonus levels will be determined by the

level of position of the executive officer with the Company.

The Board will consider whether it is appropriate and in the best interests of the Company to award a discretionary cash bonus to the NEOs and if so, in what amount. A cash bonus may be awarded to reward extraordinary performance that has led to increased value for shareholders through property acquisitions or divestitures, the formation of new strategic or joint venture relationships, capital raising efforts or achieving satisfaction of predetermined and agreed upon performance criteria. Demonstrations of extraordinary personal commitment to the Company's interests, the community and the industry may also be rewarded through a cash bonus.

Because of market conditions, bonuses were not paid to the NEOs for their services in the most recently completed financial year.

The Board has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long term sustainability.

The Company does not have a formal policy prohibiting an NEO or director from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation and held, directly or indirectly, by the NEO or director. However, there is an understanding that the Company's NEOs and directors will not purchase such financial instruments, and no NEO or director has purchased any such financial instruments as at the date of this Information Circular.

#### Compensation of Board Members and Named Executive Officers

The Company does not have in place a Compensation Committee. All tasks related to developing and monitoring the Company's approach to the compensation of executive members are performed by the members of the Board.

The Company does not have in place a Nominating Committee. All tasks related to developing and monitoring the Company's approach to the nomination of directors to the Board are performed by the members of the Board. The compensation of the NEO's and the Company's employees are reviewed, recommended and approved by the Board.

The components of the directors' and executive officers' compensation are the same as those that apply to the NEOs, namely annual base salary, incentive stock options and bonus. The general compensation philosophy of the Company for directors and executive officers is to provide a level of compensation that is competitive within the North American marketplace and that will attract and retain individuals with the experience and qualifications necessary for the Company to be successful, and to provide long-term incentive compensation which aligns the interest of executives with those of the shareholders and provide long-term incentives to members of senior management whose actions have a direct and identifiable impact on the performance of the Company and who have had a material responsibility for long-range strategy development and implementation.

#### *Executive Compensation-Related Fees*

No consultant or advisor has, at any time since the Company's most recently completed financial year, been retained to assist the Board in determining compensation for any of the Company's directors or executive officers.

Fees were not paid by the Company to any consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the Company's directors and executive officers, for each of the two most recently completed financial years of the Company.

#### *Executive Compensation-Related Fees*

No consultant or advisor has, at any time since the Company's most recently completed financial year, been retained to assist the Board in determining compensation for any of the Company's directors or executive officers.

Fees were not paid by the Company to any consultant or advisor, or any of its affiliates, for services related to determining compensation for any of the Company's directors and executive officers, for each of the two most recently completed financial years of the Company.

#### **Compensation Review Process**

##### *Risks Associated with the Company's Compensation Practices*

The Board has assessed the Company's compensation plans and programs for its executive officers to ensure alignment with the Company's business plan and to evaluate the potential risks associated with those plans and programs. The Board has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a

material adverse effect on the Company. The Board considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

The Company has not adopted a policy restricting its executive officers or directors from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by its executive officers or directors. To the knowledge of the Company, none of the executive officers or directors have purchased such financial instruments.

*Base Salary or Consulting Fees*

Base salary ranges for the executive officers were initially determined upon a review of companies within the mining industry, which were of the same size as the Company, at the same stage of development as the Company and considered comparable to the Company.

In determining the base salary of an executive officer, the Board considers the following factors:

- (a) the particular responsibilities related to the position;
- (b) salaries paid by other companies in the mining industry which were similar in size as the Company;
- (c) the experience level of the executive officer;
- (d) the amount of time and commitment which the executive officer devotes to the Company; and
- (e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives.

**Option-based awards**

The Company has a share option plan in place, which was established to provide incentive to qualified parties to increase their proprietary interest in the Company and thereby encourage their continuing association with the Company. The Compensation Committee proposes incentive stock option grants to the Board based on such criteria as performance, previous grants, and hiring incentives. All grants require approval of the Board. The share option plan is administered by the Board and provides that incentive stock options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company.

**Director and NEO Compensation Excluding Compensation Securities**

The compensation paid to the Directors and NEOs during the Company's two completed financial years ended June 30, 2016 and June 30, 2017, is as set out below and expressed in Canadian dollars unless otherwise noted:

| 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 (\$) <sup>(1)</sup> | Total Compensation (\$) |
| David Velisek <sup>(2)</sup><br>Chairman, Interim President and Chief Executive Officer and Director | 2017 | Nil   | Nil        | Nil                            | Nil                       | Nil   | Nil                     |
|  | 2016 | Nil   | Nil        | Nil                            | Nil                       | 15,000 <sup>(2)</sup>                               | 15,000 <sup>(2)</sup>   |
| Dr. Carl Hering <sup>(3)</sup><br>former President and Chief Executive Officer and former Director   | 2017 | \$20,000  | Nil        | Nil                            | Nil                       | Nil   | Nil                     |
|  | 2016 | N/A   | N/A        | N/A                            | N/A                       | N/A   | N/A                     |
| Dr. Lawrence Dick <sup>(4)</sup><br>former President, CEO and former Director                        | 2017 | Nil   | Nil        | Nil                            | Nil                       | Nil   | Nil <sup>(4)</sup>      |
|  | 2016 | Nil   | Nil        | Nil                            | Nil                       | Nil   | 12 <sup>(4)</sup>       |
| Savio Chiu <sup>(5)</sup><br>Chief Financial Officer and Corporate Secretary                         | 2017 | \$4,000   | Nil        | Nil                            | Nil                       | 120,000 <sup>(5)</sup>                              | 120,000 <sup>(5)</sup>  |
|  | 2016 | Nil   | Nil        | Nil                            | Nil                       | 120,000 <sup>(5)</sup>                              | 120,000 <sup>(5)</sup>  |
| Denise Lok<br>Director   | 2017 | \$4,000   | Nil        | Nil                            | Nil                       | Nil   | Nil                     |
|  | 2016 | Nil   | Nil        | Nil                            | Nil                       | Nil   | Nil                     |

| 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 <sup>(1)</sup> (\$) | Total Compensation (\$) |
| Ronald W. Stewart <sup>(6)</sup><br>former Director     | 2017<br>2016 | Nil<br>N/A  | Nil<br>N/A | Nil<br>N/A                     | Nil<br>N/A                | Nil<br>N/A  | Nil<br>N/A              |

Notes:

- The value of perquisites including property or other personal benefits provided to an NEO that are generally available to all employees, and that in the aggregate are worth less than \$50,000, or are worth less than 10% of an NEO's total salary for the financial year are not reported herein.
- David Velisek was appointed Chairman on May 23, 2017 and was appointed Interim President and Chief Executive Officer on August 29, 2017. Mr. David Velisek provided business development and logistical support for the Company. The fee represents the services rendered over the period from July to September, 2017.
- Dr. Carl Hering served as President and Chief Executive Officer of the Company from May 23, 2017 to August 29, 2017 and served as a Director of the Company from May 23, 2017 to October 13, 2017.
- Dr. Lawrence Dick served as President of the Company from November 27, 2014 to May 23, 2017, and served as Chief Executive Officer of the Company from November 27, 2007 to May 23, 2017 and served as Director of the Company from November 13, 2006 to May 23, 2017.
- Mr. Savio Chiu was appointed Chief Financial Officer and Corporate Secretary on April 7, 2011. Mr. Chiu is a Senior Manager, Corporate Finance of Baron Global Financial Canada Ltd. ("Baron"). The Company entered into a consulting agreement with Baron on January 17, 2011 to retain Mr. Savio Chiu to provide services to the Company and act as its Chief Financial Officer commencing February 1, 2011. The value of compensation reflects the amount received by Baron.
- Ronald W. Stewart served as a Director of the Company from May 23, 2017 to October 4, 2017.

**Stock Options and Other Compensation Securities**

During the Company's financial year ended June 30, 2017, compensation securities granted or issued to the Directors and NEOs by the Company or one of its subsidiaries, is set out below:

| Compensation Securities   |                               |   |                                   |  |  |   |                        |
|---|-------------------------------|---|-----------------------------------|--|--|---|------------------------|
| Name and position   | Type of compensation security | Number of compensation securities, number of underlying securities, and percentage of class | Date of issue or grant (dd/mm/yy) | Issue, conversion or exercise price (\$) | Closing price of security or underlying security on date of grant (\$) | Closing price of security or underlying security at year end (\$) | Expiry date (dd/mm/yy) |
| David Velisek<br>Chairman, Interim President and Chief Executive Officer and Director | Nil                           | Nil   | Nil                               | Nil                                      | Nil  | Nil   | Nil                    |
| Dr. Carl Hering<br>former President and Chief Executive Officer and former Director   | Nil                           | Nil   | Nil                               | Nil                                      | Nil  | Nil   | Nil                    |
| Dr. Lawrence Dick<br>former President and CEO and former Director                     | Nil                           | Nil   | Nil                               | Nil                                      | Nil  | Nil   | Nil                    |
| Savio Chiu, Chief Financial Officer and Corporate Secretary                           | Nil                           | Nil   | Nil                               | Nil                                      | Nil  | Nil   | Nil                    |
| Denise Lok, Director  | Nil                           | Nil   | Nil                               | Nil                                      | Nil  | Nil   | Nil                    |
| Ronald W. Stewart<br>former Director  | Nil                           | Nil   | Nil                               | Nil                                      | Nil  | Nil   | Nil                    |

**Exercise of Compensation Securities by NEOs and Directors**

Financial Year ended June 30, 2017

There were no stock options exercised by a Director or an NEO of the Company during the Company's financial year

ended June 30, 2017.

*Benefits and Perquisites*

The Company does not, as of the date of this Information Circular, offer any benefits or perquisites to its NEOs other than potential grants of incentive stock options as otherwise disclosed and discussed herein.

*Hedging by Named Executive Officers or Directors*

The Company has not, to date, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Information Circular, entitlement to grants of incentive stock options under the Company’s share option plan is the only equity security element awarded by the Company to its executive officers and directors.

**Pension Plan Benefits**

The Company does not have a pension plan or a deferred compensation plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

**Equity Compensation Plan Information**

The only equity compensation plan which the Company has in place is its stock option plan. The following table sets forth details of the Company’s compensation plans as at the financial year end of June 30, 2017:

| <b>Plan Category</b>  | <b>Number of securities to be issued upon exercise of outstanding options</b> | <b>Weighted-average exercise price of outstanding options</b> | <b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the second column of this table)</b> |
|---|---|---|---|
| Equity compensation plans approved by securityholders – Share Option Plan | Nil   | \$Nil   | 1,036,552   |
| Equity compensation plans not approved by securityholders – N/A           | N/A   | N/A   | N/A   |
| Total   | Nil   |   | 1,036,552   |

NOTE: Share Option Plan limitation of 10% of the issued and outstanding Common Shares as at June 30, 2016, less issued stock options as listed in the second column of this table.

Reference should be made to the Company’s audited annual financial statements for the year ended June 30, 2017 for more detailed disclosure relating to the incentive stock options granted, exercised and outstanding.

**Employment, consulting and management services**

*Baron Global Financial Canada Ltd.*

On February 1, 2012, the Company entered into a 12 month management and advisory agreement with Baron Global Financial Canada Ltd. (“Baron”), whereby Baron agreed to act as corporate advisor and CFO of the Company in return for a monthly fee of \$10,000. Savio Chiu, the CFO of the Company is also a Senior Manager at Baron. This agreement has been renewed.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of its most recently completed financial year ended June 30, 2017.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

During the most recently completed fiscal year, the management functions of the Company or any of its subsidiaries are substantially performed by the directors and officers of the Company, and not to any substantial degree by any other person with whom the Company has contracted, except as disclosed in this Information Circular.

The following summarizes the Company's related party transactions during the year ended June 30, 2017:

- Consulting fees relating to key management personnel and entities as follows:
  - David Velisek (business development consulting fees) \$15,000 (2016: \$15,000)
  - Baron Global Financial Canada Ltd. (Savio Chiu, CFO) (management and advisor fees in return for a monthly fee): \$120,000 (2016: 120,000)
  - Carl Hering, former President and Chief Executive Officer and former Director (consulting fees) \$20,000 (2016: \$Nil)
  - Denise Lok, Director (financial consulting fees): \$4,000 (2016: \$Nil)
  - Savio Chiu, Chief Financial Officer and Corporate Secretary (financial consulting fees): \$4,000 (2016: \$Nil)
  - Mike Collins, VP Exploration and Development (consulting fees): \$28,458 (2016: \$Nil)
- Related party payables:
  - Carl Hering, former President and Chief Executive Officer and former Director) \$50,452 (2016: \$Nil)
  - Baron Global Financial Canada (Lawrence Dick, former President and Chief Executive Officer and former Director) (settled debt owing of \$126,051 /350,141 common shares)
  - Mike Collins, VP Exploration and Development \$6,223 (2016: \$Nil)

#### Non-Brokered Private Placement

On October 27, 2016 the TSX Venture Exchange accepted the filing of a non-brokered unit private placement of 2,526,315 units at a unit price of \$0.38 with two year share purchase warrants expiring on October 28, 2018 to purchase up to an additional 2,526,315 common shares at an exercise price of \$0.56. The Insiders who participated in this private placement was David Velisek as to 65,790 units.

On October 20, To the knowledge of management of the Company, other than as disclosed in this Information Circular, no informed person of the Company, proposed director of the Company, or any associate or affiliate of any informed person or proposed director of the Company has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

#### **MANAGEMENT CONTRACTS**

Except as set out herein there are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

#### **PARTICULARS OF MATTERS TO BE ACTED UPON**

##### **Continuation of Share Option Plan**

The TSX Venture Exchange ("TSX-V") policy requires all of its listed companies to have a share option plan if the company intends to grant incentive stock options.

On October 28, 2015, the Board approved the adoption of a new form 10% rolling share option plan and shareholders approved the adoption of this new form option plan at the Company's annual general meeting held on December 11, 2015 (the "Share Option Plan"). The Share Option Plan was adopted to increase the flexibility of the Company to attract and maintain the services of executives, employees and others who provide services to the Company.

The Share Option Plan is a 10% maximum rolling plan. Options granted under the Share Option Plan are not exercisable for a period longer than 10 years and the exercise price must be paid in full upon exercise of the option.

The Share Option Plan is subject to the following restrictions:

- (a) the Company must not grant an option to any one individual director, officer, employee, management company employee, consultant or company consultant (the "Service Provider") in any 12 month period that exceeds 5% of the outstanding shares, unless the Company has obtained approval to do so by a majority of the votes cast by the shareholders of the Company eligible to vote at a shareholders' meeting, excluding votes attaching to shares beneficially owned by insiders and their associates ("Disinterested Shareholder Approval");

- (b) the aggregate number of options granted to a Service Provider conducting investor relations activities in any 12 month period must not exceed 2% of the outstanding Common Shares calculated at the date of the grant, without the prior consent of the TSX-V;
- (c) the Company must not grant an option to any one individual consultant in any 12 month period that exceeds 2% of the outstanding shares calculated at the date of the grant of the option, without the prior consent of the TSX-V;
- (d) the aggregate number of Common Shares reserved for issuance under options granted to insiders must not exceed 10% of the outstanding Common Shares (in the event that the Share Option Plan is amended to reserve for issuance more than 10% of the outstanding Common Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (e) the aggregate number of Common Shares issued for option to insiders in any 12 month period must not exceed 10% of the outstanding Common Shares (in the event that the Share Option Plan is amended to reserve for issuance more than 10% of the outstanding Shares) unless the Company has obtained Disinterested Shareholder Approval to do so;
- (f) the issuance to any one Optionee within a 12 month period of a number of Common Shares must not exceed 5% of outstanding Common Shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (g) any one Person engaged in Investor Relations Activities for the Company must vest in stages over a 12 month period with no more than 1/4 of the Options vesting in any three month period; and
- (h) The exercise price of an option previously granted to an insider must not be reduced, unless the Company has obtained Disinterested Shareholder Approval to do so.

***Material Terms to the Share Option Plan***

The following is a summary of the material terms of the Share Option Plan:

- (a) Persons who are Service Providers to the Company or its affiliates, or who are providing services to the Company or its affiliates, are eligible to receive grants of options under the Share Option Plan;
- (b) options granted under the Share Option Plan are non-assignable and non-transferable and are issuable for a period of up to ten (10) years;
- (c) for options granted to Service Providers, the Company must ensure that the proposed Optionee is a bona fide Service Provider of the Company or its affiliates;
- (d) if there is a takeover bid for all or any of the issued and outstanding Common Shares, then all outstanding Options, whether fully vested and exercisable or remaining subject to vesting provisions or other limitations on exercise, shall become exercisable in full to enable the Optioned Shares to be issued and tendered to such bid, subject to prior written approval of the TSX-V;
- (e) an Option granted to any Service Provider will expire 90 days (or such other time, not to exceed one year, as shall be determined by the Board as at the date of grant or agreed to by the Board and the Optionee at any time prior to expiry of the option), after the date the Optionee ceases to be employed by or provide services to the Company, and only to the extent that such Option was vested at the date the Optionee ceased to be so employed by or to provide services to the Company;
- (f) if an Optionee dies, any vested option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- (g) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same;
- (h) the exercise price of each option will be set by the Board at the time such Option is allocated under the Share Option Plan, and cannot be less than the Discounted Market Price (as defined in the Share Option Plan);

- (i) vesting of Options shall be at the discretion of the Board, and will generally be subject to: (i) the Service Provider remaining employed by or continuing to provide services to the Company or any of its affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its affiliates during the vesting period; or (ii) the Service Provider remaining as a Director of the Company or any of its affiliates during the vesting period;
- (j) the Share Option Plan contains a black-out provision restricting all or any of the Company's Service Providers to refrain from trading in the Company's securities until the restriction has been lifted by the Company;
- (k) no vesting requirements will apply to options granted under the Share Option Plan other than as required by TSX-V policies; however, a four month hold period will apply to all Common Shares from the date of grant for all Options granted to:
  - (i) insiders of the Company; or
  - (ii) where Options are granted to any Service Provider, including Insiders, where the exercise price is at a discount to the Market Price; and
- (l) the Board reserves the right in its absolute discretion to amend, modify or terminate the Share Option Plan with respect to all Common Shares in respect of options which have not yet been granted under the Share Option Plan. Any amendment to any provision of the Share Option Plan will be subject to any necessary Regulatory approvals unless the effect of such amendment is intended to reduce (but not to increase) the benefits of the Share Option Plan to Service Providers.

The Share Option Plan also provides that the Board may, without shareholder approval:

- (i) amend the Share Option Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an option granted under the Share Option Plan, subject to prior written approval of the TSX-V, if applicable;
- (iii) change the termination provision of an option granted under the Share Option Plan if it does not entail an extension beyond the lesser of the original expiry date of such option or 12 months from termination;
- (iv) make such amendments to the Share Option Plan as are necessary or desirable to reflect changes in securities laws applicable to the Company;
- (v) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX-V, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vi) amend the Share Option Plan to reduce, and not to increase, the benefits of this Share Option Plan to Service Providers.

The Company's Share Option Plan is attached as Schedule A to the Company's Information Circular dated November 5, 2015 for the Company's December 11, 2015 annual general meeting filed which can be accessed on SEDAR at [www.sedar.com](http://www.sedar.com), and a copy of the Share Option Plan will be available for inspection at the Meeting.

#### ***Shareholder Approval***

The Share Option Plan is subject to annual shareholder approval and TSX-V acceptance to its filing. Shareholders will be asked at the Meeting to consider, and if thought fit, approve an ordinary resolution, with or without variation, as follows:

**“RESOLVED** that the Company's 10% rolling share option plan, be and is hereby ratified and approved until the next annual general meeting of the Company.”

An ordinary resolution is a resolution passed by the shareholders of the Company at a general meeting by a simple majority of the votes cast in person or by proxy.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company can be accessed on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders may contact the Company at Suite 1980 - 1075 West Georgia Street, Vancouver, British Columbia, Canada V6E 3C9, to request copies of the Company's consolidated financial statements and MD&A.

Financial information is provided in the Company's consolidated financial statements and MD&A for its most recently completed financial year and which can be obtained on SEDAR at [www.sedar.com](http://www.sedar.com).

### **OTHER MATTERS**

The Board is not aware of any other matters which it anticipates will come before the Meeting as of the date of mailing of this Information Circular.

The contents of this Information Circular and its distribution to shareholders has been approved by the Board.

**DATED** at Vancouver, British Columbia, November 10, 2017.

### **BY ORDER OF THE BOARD**

*"David Velisek"*

**David Velisek**  
**Interim President and Chief Executive Officer**

**This is Schedule A to the Information Circular of  
CONFEDERATION MINERALS LTD.  
AUDIT COMMITTEE CHARTER**

The following is the text of the Audit Committee's Charter:

1. Overall Purpose I Objectives

The Audit Committee will assist the Board of Directors in fulfilling its responsibilities. The Audit Committee will review the financial reporting process, the system of internal control and management of financial risks and the audit process. In performing its duties, the committee will maintain effective working relationships with the Board of Directors, management, and the external auditors and monitor the independence of those auditors. To perform his or her role effectively, each committee member will obtain an understanding of the responsibilities of committee membership as well as the Company's business, operations and risks.

2. Authority

The Board authorizes the Audit Committee, within the scope of its responsibilities, to seek any information it requires from any employee and from external parties, to obtain outside legal or professional advice, to set and pay the compensation for any advisors employed by the Audit Committee, to ensure the attendance of Company officers at meetings as appropriate and to communicate directly with the Company's external auditors.

3. Organization

Membership

The Audit Committee will be comprised of at least three members, a majority of which are not officers or employees of the Company.

The chairman of the Audit Committee will be nominated by the Audit Committee from the members of the Audit Committee which are not officers or employees of the Company, or a company associated or affiliated with the Company, from time to time.

A quorum for any meeting will be two members.

The secretary of the Audit Committee will be the Company secretary, or such person as nominated by the Chairman.

Attendance at Meetings

The Audit Committee may invite such other persons (e.g. the President or Chief Financial Officer) to its meetings, as it deems appropriate.

Meetings shall be held not less than four times a year. Special meetings shall be convened as required. External auditors may convene a meeting if they consider that it is necessary.

The proceedings of all meetings will be minuted.

4. Roles and Responsibilities

The Audit Committee will:

- Gain an understanding of whether internal control recommendations made by external auditors have been implemented by management.
- Gain an understanding of the current areas of greatest financial risk and whether management is managing these effectively.
- Review significant accounting and reporting issues, including recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Review any legal matters which could significantly impact the financial statements as reported on by the general counsel and meet with outside counsel whenever deemed appropriate.
- Review the annual and quarterly financial statements including Management's Discussion and Analysis and annual and interim earnings press releases prior to public dissemination, including any certification, report, opinion, or review rendered by the external auditors and determine whether they are complete and

consistent with the information known to committee members; determine that the auditors are satisfied that the financial statements have been prepared in accordance with generally accepted accounting principles.

- Pay particular attention to complex and/or unusual transactions such as those involving derivative instruments and consider the adequacy of disclosure thereof.
- Focus on judgmental areas, for example those involving valuation of assets and liabilities and other commitments and contingencies.
- Review audit issues related to the Company's material associated and affiliated companies that may have a significant impact on the Company's equity investment.
- Meet with management and the external auditors to review the annual financial statements and the results of the audit.
- Review the interim financial statements and disclosures, and obtain explanations from management on whether:
  - (a) actual financial results for the interim period varied significantly from budgeted or projected results;
  - (b) generally accepted accounting principles have been consistently applied;
  - (c) there are any actual or proposed changes in accounting or financial reporting practices;
  - (d) there are any significant or unusual events or transactions which require disclosure and, if so, consider the adequacy of that disclosure; and
  - (e) review the external auditors' proposed audit scope and approach and ensure no unjustifiable restriction or limitations have been placed on the scope.
- Review the performance of the external auditors and approve in advance provision of services other than auditing. Consider the independence of the external auditors, including reviewing the range of services provided in the context of all consulting services bought by the company. The Board authorizes the Chairman of the Audit Committee to pre approve any non audit or additional audit work which the Chairman deems as necessary and to notify the other members of the Audit Committee of such non audit or additional work.
- Make recommendations to the Board regarding the reappointment of the external auditors and the compensation to be paid to the external auditor.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- Establish a procedure for:
  - (a) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - (b) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters.
- Meet separately with the external auditors to discuss any matters that the committee or auditors believe should be discussed privately.
- Endeavour to cause the receipt and discussion on a timely basis of any significant findings and recommendations made by the external auditors.
- Ensure that the Board is aware of matters which may significantly impact the financial condition or affairs of the business.
- Perform other functions as requested by the full Board
- If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist, and set the compensation to be paid to such special counsel or other experts.
- Review and recommend updates to the charter; receive approval of changes from the Board.