FENGRO INDUSTRIES CORP.
1100 – 1111 Melville Street, Vancouver, BC V6E 3V6
Telephone No.: +1 (604) 484-7122 Fax No.: +1 (604) 484-7143

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Take notice that the annual general and special meeting (the "**Meeting**") of shareholders of Fengro Industries Corp. (the "**Company**") will be held at Suite 1700, 666 Burrard Street, Vancouver, British Columbia on October 18, 2019 at 10:00 a.m. (Vancouver time), for the following purposes:

1. To receive the financial statements of the Company for its fiscal year ended September 30, 2018, report of the auditor and related management discussion and analysis.

2. To set the number of directors at five.

3. To elect directors of the Company for the ensuing year.

4. To appoint an auditor of the Company for the ensuing year.

5. To ratify and approve the continuation of the 10% rolling number share option plan, as described in the Information Circular prepared for the Meeting.

6. To consider and, if thought fit, to approve a special resolution (the "**Transaction Resolution**") authorizing the sale or disposition of all or substantially all of the Company's undertakings pursuant to a share purchase and sale agreement, dated as of June 17, 2019 whereby the Company will sell of all of its shares of Dusolo Mineração Ltda. to Geofoscal Comércio, Indústria, Representações e Transporte de Produtos Agropecuários Ltda., as described is the Information Circular prepared for the Meeting.

7. To consider, and if thought fit, to approve by special resolution an alteration to the capital of the Company to authorize the board of directors (the "**Board**") to affect a consolidation of the Company's shares on the basis of up to 50 pre-consolidation common shares for every one post-consolidation common share, as described in the Information Circular prepared for the Meeting.

8. To consider any permitted amendment to or variation of any matter identified in this Notice and to transact such other business as may properly come before the Meeting or any adjournment thereof.

An Information Circular accompanies this Notice. The Information Circular contains details of matters to be considered at the Meeting.

The Board has fixed September 12, 2019 as the record date for determining the Company shareholders entitled to receive notice and vote at the Meeting.

Registered shareholders who are unable to attend the Meeting in person and who wish to ensure that their shares will be voted at the Meeting are requested to complete, date and sign the enclosed form of proxy, or another suitable form of proxy, and deliver it in accordance with the instructions set out in the form of proxy and in the Information Circular.

Unregistered shareholders who plan to attend the Meeting must follow the instructions set out in the form of proxy or voting instruction form to ensure that their shares will be voted at the Meeting. If you hold your shares in a brokerage account, you are not a registered shareholder.

Registered shareholders have the right to dissent with respect to the Transaction Resolution and, if the Transaction Resolution becomes effective, to be paid the fair value of their Company shares, subject to strict compliance with Sections 237 to 247 of the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). The right to dissent is described in the section in the Information Circular entitled "*Dissent Rights*". **Failure to comply strictly with the requirements set forth in Sections 237 to 247 of the BCBCA, may result in the loss of any right of dissent.**

DATED at Vancouver, British Columbia, September 12, 2019.

BY ORDER OF THE BOARD

"Giles Baynham"

Giles Baynham
President and Chief Executive Officer

FENGRO INDUSTRIES CORP.
1100 – 1111 Melville Street, Vancouver, BC V6E 3V6
Telephone No.: (604) 484-7122 Fax No.: (604) 484-7143

INFORMATION CIRCULAR

as at September 12, 2019 (*except as otherwise indicated*)

This Information Circular is furnished in connection with the solicitation of proxies by the management of Fengro Industries Corp. for use at the annual general and special meeting (the "Meeting") of its shareholders to be held on October 18, 2019 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**", "**we**" and "**our**" refer to Fengro Industries Corp., "**Common Shares**" means common shares without par value in the capital of the Company. "**Shareholders**" means the holders of Common Shares. "**Registered Shareholders**" mean Shareholders whose names appear on the records of the Company as the registered holders of Common Shares. "**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. Any amounts reported in this Information Circular after September 30, 2018 are unaudited.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND RISKS

This Information Circular contains forward-looking statements that relate to Company's current expectations and views of future events. In some cases, these forward-looking statements can be identified by words or phrases such as "may", "might", "will", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict" or "likely", or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes might affect its financial condition, results of operations, business strategy and financial needs. These forward-looking statements include but are not limited to statements and information concerning: the Transaction (as defined below); closing conditions to the Transaction; the timing for the implementation of the Transaction and the potential benefits of the Transaction; the likelihood of the Transaction being completed; principal steps of the Transaction; statements relating to the conduct of business and future activities of the Company after the date of this Information Circular and before the Closing Date (as defined below); Shareholder approval of the Transaction Resolution (as defined below); the potential implementation of the Consolidation (as defined below); the potential effects of the Consolidation; and principal steps of the Consolidation.

These forward-looking statements are based on the beliefs of the management of the Company as well as on assumptions which such management believes to be reasonable, based on information currently available at the time such statements were made. However, there can be no assurance that forward-looking statements will prove to be accurate. Such assumptions and factors include, among other things, the satisfaction of the terms and conditions of the Agreement (as defined below), including Shareholder approval of the Transaction Resolution; general business and economic conditions; that the anticipated benefits of the Transaction will be achieved; market competition; and tax benefits and tax rates.

Although the Company believes that the assumptions underlying these statements are reasonable, they may prove to be incorrect, and the Company cannot assure that actual results will be consistent with these forward-looking statements. Given these risks, uncertainties and assumptions, any investors or users of this document should not place undue reliance on these forward-looking statements. Whether actual

results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors that are discussed elsewhere in this Information Circular, including but not limited to: the Company could fail to complete the Transaction or the Transaction may be completed on different terms; the Transaction may divert the attention of the Company's management; the market price for the Common Shares may decline; the Agreement may be terminated in certain circumstances; the Company may not realize the benefits of the Transaction; the Company's history of losses; the Company's negative operating cash flow; the Company's ability to access additional capital through issuances of equity and debt securities; disruptions in the credit markets; the Company's products achieving sufficient market acceptance; a decline in demand for the Company's products; joint venture and other partnerships; unexpected delays; potential conflicts of interests among the Company's directors, officers or shareholders; competition with larger, better capitalized competitors; title risk related to the Company's mineral properties; exposure to price risk with respect to commodity and equity prices; exposure to political risks in the countries in which the Company operates; credit and liquidity risks related to meeting the Company's financial obligations; risks related to local community approval of the Company's operations; risks related to environmental laws and obligation; there has been insufficient exploration to define mineral resources on the Company's properties; risks related to production without a feasibility study of mineral reserves demonstrating economic value and technical viability; changes in the regulatory environment or in the way regulations are interpreted; economic conditions; the Company's reliance on key personnel; competition for employees; risks related to litigation; the Company will incur substantial transaction-related costs; risks related to directors and executive officers of the Company possibly having interests in the Transaction that are different from other Shareholders; market reaction to the Transaction; and the Transaction may have certain tax consequences.

This list is not exhaustive of the factors that may affect any of forward-looking statements made in this Information Circular. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Information Circular generally and certain economic and business factors, some of which may be beyond the control of the Company. Some of the important risks and uncertainties that could affect forward-looking statements are described further under the heading "*Risk Factors and Uncertainties*" in the Company's MD&A for the year ended September 30, 2018 and as well as those factors detailed from time to time in the Company's interim and annual financial statements and MD&A relating to those statements, all of which are filed on SEDAR at www.sedar.com. The Company does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all these reasons, Shareholders should not place undue reliance on forward-looking statements.

REPORTING CURRENCY

This Information Circular contains reference to Canadian dollars ("**$**" or "**C$**") and Brazilian reals ("**R$**"). All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. Unless otherwise stated, any Canadian dollar amount which have been converted from Brazilian reals have been converted at an exchange rate of C$1.00 = R$3.0120, representing the daily exchange rate for converting Canadian dollars into Brazilian reals, as quoted by the Bank of Canada on August 15, 2019. On September 12, 2019, the daily exchange rate quoted by the Bank of Canada was C$1.00 = R$3.0694.

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, regular employees of the Company and the Company may retain the services of a proxy solicitation agent to assist in the solicitation of proxies. The Company will bear all costs of this solicitation.

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 management appointee acting as a proxyholder will vote in favour of each matter identified on the Proxy and, if applicable, for the nominees of management for directors and auditors as identified in the Proxy.

Registered Shareholders

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

(a) completing, dating and signing the enclosed form of proxy and returning it to the Company's transfer agent, Computershare Trust Company of Canada ("**Computershare**"), by fax within North America at 1-866-249-7775, outside North America at (416) 263-9524, or by mail to the 9th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 or by hand delivery at 3rd Floor, 510 Burrard Street, Vancouver, British Columbia, Canada V6C 3B9;

(b) using 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 proxy access number; or

(c) using the internet through Computershare's website at 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 proxy access number;

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

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 intermediaries. In the United States, the vast majority of such Common Shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depositary for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

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

These securityholder materials are being sent to both registered and non-registered owners of the securities of the Company. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of securities, were obtained in accordance with applicable securities regulatory requirements from the intermediary holding securities on your behalf.

There are two kinds of Beneficial Shareholders - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Company is taking advantage of the provisions of National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer*" of the Canadian Securities Administrators which permits the Company to deliver proxy-related materials directly to its NOBOs. As a result, NOBOs can expect to receive a scannable Voting Instruction Form ("**VIF**") from our transfer agent, Computershare. The VIF is to be completed and returned to Computershare as set out in the instructions provided on the VIF. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the VIFs they receive.

By choosing to send these materials to you directly, the Company (and not the intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions as specified in the request for voting instructions. Please return your VIF as specified in the request for voting instructions that was sent to you.

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting. Unless required pursuant to United States proxy rules, the Company does not intend to pay for the intermediaries to forward to OBOs under National Instrument 54-101 "*Communication with Beneficial Owners of Securities of a Reporting Issuer"* the proxy-related materials and Form 54-101F7 "*Request for Voting Instructions Made by Intermediary"*, and in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

The form of proxy supplied to you by your broker will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge mails a 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 the voting of Common Shares to be represented at the Meeting and the appointment of any Shareholder's representative. **If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend the Meeting and vote your Common Shares at the Meeting**.

Notice to Shareholders in the United States

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the corporate laws of 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.

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

Revocation of Proxies

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 Investor Services Inc. or at the address of the office of the Company at Suite 1100 – 1111 Melville Street, Vancouver, British Columbia, V6E 3V6, 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

Except as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, proposed nominee for election as director of the Company, and no associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting other than Directors and executive officers of the Company may have an interest in the resolution regarding re-approval of the Company's Amended and Restated 2015 Stock Option Plan (as defined below) as such persons are eligible to participate in the Amended and Restated 2015 Stock Option Plan. See "*Particulars of Matters to be Acted Upon – Re-Approval of Stock Option Plan*".

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The board of directors of the Company (the "**Board**") has fixed September 12, 2019 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.

The Common Shares of the Company are listed for trading on the TSX Venture Exchange (the "**TSXV**"). As of the Record Date, there were 50,051,985 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 is there cumulative or similar voting rights attached to the Common Shares. The Company has no other classes of voting securities.

Any shareholder of record at the close of business on September 12, 2019 who either personally attends the Meeting or who has completed and delivered a Proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have such Shareholder's Common Shares voted at the Meeting.

To the knowledge of the directors and executive officers of the Company, no persons or corporations beneficially own, or control or direct, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company other than as set below:

Name of Registered Holder	Number of Common Shares	Percentage of Outstanding Common Shares
Tembo Capital Mining GP Limited	25,289,091	50.53%
M&G Investment Management Limited	9,187,279	18.36%

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the ordinary resolutions described herein. The resolutions to approve the Transaction and the Consolidation are special resolutions and, as such, shall be subject to approval of at least two-thirds of votes cast by Shareholders present in person, or represented by proxy at the Meeting.

ELECTION OF DIRECTORS

The number of directors was last determined at six, and it is proposed that the size of the board of directors be set at five persons for the ensuing year. Shareholders will be asked to approve an ordinary resolution that the number of directors be set at five.

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director's office is earlier vacated in accordance with the provisions of the BCBCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected until a successor is elected.

The following disclosure sets out the names of management's five 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, 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 the Record Date.

Name of Nominee; Current Position with the Company and Province or State and Country of Residence	Principal Occupation with each Company or Employer	Period as a Director of the Company	Common Shares Beneficially Owned or Controlled[1]
Giles Baynham Director, President & CEO British Columbia, Canada	President and Chief Executive Officer of Fengro Industries Corp.	Since January 28, 2016	15,000
Peter Ruxton[2][3] Director Tonbridge, Kent, UK	Principal of Tembo Capital Management Ltd. since March 2009; Director of the Company since September 2014.	Since September 15, 2014	Nil
Duane Lo[2][3] Director British Columbia, Canada	Chartered Professional Accountant, CA, CFO of Entrée Resources Ltd. since April 2016; CFO of Mason Resources Corp. from May 2017 to December 2018; Principal, Kaman Capital Corp. since July 2015; Director of Golden Ridge Resources Ltd. since January 2019; Executive Vice President and Chief Financial Officer of Luna Gold Corp. from August 2009 to June 2015.	Since March 1, 2016	Nil
David Cather[3] Director Exeter, Devon, UK	Chartered Engineer, CEO of Mining Platform, Abu Dhabi Capital Group from August 2017 to July 2018. CEO of Avocet Mining Plc from July 2012 until April 2017. Technical Director of Avocet Mining Plc until September 2017. Director of Galantas Gold Corp since June 2019 to date. Director of Cather Mining Consultancy Ltd.	Since March 8, 2017	Nil
Keith Carpenter[2] Director Ontario, Canada	Chartered Financial Analyst, Chief Strategy and Investment Officer, ZYUS Life Sciences Inc. since August 2018; Managing Director of Agriculture Equity Research at AltaCorp Capital from January 2017 to August 2018; Managing Director, Equity Research, Agriculture, at Canaccord Genuity Corp. from 2008- 2015.	Since July 4, 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) Member of the Audit and Corporate Governance and Nominating Committees.

(3) Member of the Compensation Committee.

Occupation, Business or Employment of Director Nominees

Giles Baynham, President, CEO and Director

Giles Baynham is a mining engineer and financier with 24 years' experience in the natural resources industry. He is experienced in the evaluation and financing of mining projects, from early stage exploration to production. Mr. Baynham started his career as a mining engineer with Rio Tinto, before working at various financial entities including Mizuho Corporate Bank, NM Rothschild & Sons, and Endeavour Financial, and he was co-founder, director and President of CB Gold Inc. He currently serves as a non-executive board member (since October 2010) and was Director of Corporate Development (March 2015 to March 2016) at Aton Resources Inc. (TSXV:AAN), which is developing a polymetallic deposit in Egypt.

Peter Ruxton, Director

Dr. Ruxton, MBA, currently serves as a Principal of Tembo Capital, a private equity, mining fund, which specializes in making investments in Africa and other emerging markets. Dr. Ruxton has a strong technical background with 15 years in the Australian mining industry with Billiton and Ross Mining. He has held numerous directorships with both private and publicly traded companies on various exchanges including the TSXV, AIM, ASX, JSE and AMEX. He is member of the Institute of Mining, Metallurgy and Materials (MIMM) and the Association of Mining Analysts (MAMA). He is a Fellow of both the Geological Society of London (FGS) and the Society of Economic Geologists (FSEG).

Duane Lo, Director

Mr. Lo is a financial executive in the mining industry with 20 years of experience in financing, business development, management and administration of mining operations and development projects in multiple jurisdictions including, USA, Africa, Brazil, and Mongolia. Currently, Mr. Lo is the Chief Financial Officer of Entrée Resources Ltd. Prior to Entrée Resources Ltd., Mr. Lo was the CFO of Mason Resources Corp. (sold to Hudbay in 2018), Executive Vice President and CFO of Luna Gold Corp. (2009-2016), which built and operated the Aurizona gold mine in Brazil, and was the Corporate Controller of First Quantum Minerals Ltd. (2004-2009). Mr. Lo was also employed at Deloitte in the assurance and advisory practice and holds a Canadian Chartered Professional Accountant (CA) designation from the Institute of Chartered Accountants of British Columbia.

David Cather, Director

Mr. Cather was appointed Chief Executive Officer of the Mining Platform of Abu Dhabi Capital Group in August 2017 until July 2018. Previously, he was Chief Executive Officer of Avocet Mining Plc from July 2012 to April 2017, after joining the company as its Chief Operating Officer in May 2012. Mr. Cather was appointed a Director of Galantas Gold Corporation in June 2019. Mr. Cather is an experienced mining engineer and brings over 35 years of experience to his roles. Mr. Cather's career has included senior roles at European Goldfields, where he was Chief Operating Officer and at Anglo American, where he was Technical Director for its Industrial Minerals Division. He has also spent five years consulting to the global industry on a variety of early stage projects, in Africa, Asia and the Americas.

Keith Carpenter, Director

Mr. Carpenter is the Chief Strategy and Investment Officer of ZYUS Life Sciences Inc, which he joined in August 2018. From January 2017 until August 2018, Mr. Carpenter was the Managing Director of Agriculture Equity Research at AltaCorp Capital, a full-service investment bank. Prior to AltaCorp, Mr.

Carpenter was a Managing Director, a Brendan Wood Top Gun-ranked analyst and StarMine Award recipient at Canaccord Genuity, which he joined in 2008. From 2005 to 2008, Mr. Carpenter was the agriculture and base metal analyst at Toronto-based Interward Asset Management. Prior to that, he worked in the equity research department at BMO Capital Markets. Mr. Carpenter attained a BA (economics) from Yale University, an MBA from the Rotman School of Management at the University of Toronto and is a CFA charterholder.

Cease Trade Orders and Bankruptcies

Giles Baynham was subject to a management cease trade order issued by the British Columbia, Alberta and Ontario Securities Commission on January 31, 2017 (the "**MCTO**") relating to the late filing of the Company's audited annual financial statements for the year ended September 30, 2016 and related management discussion and analysis and officer's certificates (the "**Required Filings**"), which were required to be filed on February 1, 2017. The MCTO was revoked on March 2, 2017 after the Company made the Required Filings.

Except as provided above, no proposed director of the Company is, as of the date of this Information Circular, or has been, within the 10 years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including the Company) that: (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

No proposed director of the Company is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

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

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

Unless otherwise specified, the persons named in the enclosed Proxy will vote for the election of each of the five nominees to serve as directors of the Company. The Board does not contemplate that any of such nominees will be unable to serve as a director; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve, the persons designated in the Proxy will be able to vote in their discretion for any substitute nominee or nominees.

The Board unanimously recommends that each Shareholder vote FOR the approval election of each of the five nominees to serve as directors of the Company. Common Shares represented by proxies in favour of the management nominees will be voted FOR of the election of each of the five

nominees to serve as directors of the Company, unless a Shareholder has specified in its Proxy that their Common Shares are to be withheld from voting on the election of a director.

APPOINTMENT OF AUDITOR

Effective September 7, 2018, Davidson and Company LLP, Chartered Professional Accountants were appointed as the auditors of the Company in place of Ernst & Young LLP, Chartered Professional Accountants, which resigned as the Company's auditor at the request of the Company. The change in auditor package that was filed with regulatory authorities on SEDAR at www.sedar.com on September 20, 2018 is attached to this Information Circular as Schedule "A".

There were no reservations in Ernst & Young LLP's reports on the financial statements of the Company for; the financial years ended September 30, 2018 and 2017; or for any period subsequent thereto for which an audit report was issued and preceding the effective date of the resignation of Ernst & Young LLP.

The change in auditor reporting package includes:

(a) the Notice of Change of Auditor prepared in respect of Ernst & Young LLP's resignation as the auditor of the Company and the Company's appointment of Davidson and Company LLP as its new auditor to hold office until the next annual general meeting of the Shareholders of the Company;

(b) the response letter of Ernst & Young LLP with respect to the Company's Notice of Change of Auditor; and

(c) the response letter of Davidson and Company LLP with respect to the Board's appointment of Davidson and Company LLP as the successor auditor of the Company.

Unless otherwise specified, the persons named in the enclosed Proxy will vote for the appointment of Davidson & Company LLP, Chartered Professional Accountants, Vancouver, British Columbia, as auditor of the Company for the ensuing year, at a remuneration to be fixed by the directors. Davidson & Company LLP was first appointed auditor of the Company in 2018, after replacing Ernst & Young LLP, which served as auditor of the Company from September 2016 until September 2018 and Manning Elliott LLP, the Company's auditor prior to Ernst & Young LLP.

The Board unanimously recommends that each Shareholder vote FOR the appointment of Davidson & Company LLP as auditor of the Company and authorizing the Board to fix the auditor's remuneration. Common Shares represented by proxies in favour of the management nominees will be voted FOR of the appointment of Davidson & Company LLP as auditor of the Company and authorizing the Board to fix the auditor's remuneration, unless a Shareholder has specified in its Proxy that their Common Shares are to be withheld from voting on the appointment of auditor.

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 Audit Committee has a charter. A copy of the Audit Committee Charter is attached hereto as Schedule "C".

Composition of the Audit Committee

The current members of the Audit Committee are Duane Lo, Peter Ruxton, and Keith Carpenter. All members are considered an independent member of the Audit Committee. All members of the Audit Committee are considered to be financially literate.

Relevant Education and Experience

For relevant education and experience of the members of the Audit Committee, please see above heading "*Occupation, Business or Employment of Director Nominees*".

All members of the Audit Committee have:

(a) gained through their experience as directors and officers of publicly listed companies, an understanding of the accounting principles used by the issuer to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;

(b) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity in accounting issues comparable to issues that the Company can reasonably expect to arise in the issuer's financial statements; or experience actively supervising individuals engaged in such activities; and

(c) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

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

Reliance on Certain Exemptions

The Company's auditor, Davidson & Company LLP has not provided any material non-audit services.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services to the extent set forth in the Company's Audit Committee Charter (see under the heading "*External Auditor*").

Exemptions

The Company is relying on the exemption set out in section 6.1 of NI 52-110.

External Auditor Service Fees

Fees incurred with current auditor, Davidson & Company LLP and former auditor Ernst & Young LLP for audit services in the last two fiscal years are outlined in the following table:

Nature of Services	Fees Paid to Auditor in Year Ended September 30, 2017	Fees Paid to Auditor in Year Ended September 30, 2018
Audit Fees[(1)]	$123,750	$72,183[(5)]
Audit-Related Fees[(2)]	$Nil	$Nil
Tax Fees[(3)]	$Nil	$Nil
All Other Fees[(4)]	$Nil	$Nil
Total	$123,750	$72,183

Notes:

(1) "Audit Fees" include fees necessary to perform the annual audit 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, tax advice, and the Company's Canadian and US corporate tax returns. 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.

(5) As at the date of the Information Circular the Company has paid $Nil of the audit fees for the year ended September 30, 2018.

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

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A "material relationship" is a relationship which could, in the view of the Company's Board, be reasonably expected to interfere with the exercise of a director's independent judgment.

The Board facilitates independent supervision over management through frequent meeting of the Board and communication with its Chief Executive Officer. Should the Board believe it is necessary, meetings of the Board may be held absent those directors that are not independent or non-independent directors may be excused from all or a portion of meetings where potential conflict arise, may arise, or where appropriate.

The Board is responsible for establishing performance criteria and compensation for the Chief Executive Officer. In addition, the Board is responsible for the stock option plan including any modifications to the plan and any option grants. The Audit Committee meets at least annually with the external auditors and Chief Financial Officer to review and approve the financial statements.

The current independent members of the Board are Duane Lo, Peter Ruxton, David Cather and Keith Carpenter. Giles Baynham is not independent as he is President and Chief Executive Officer of the Company.

Directorships

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

Name of Director	Name of Reporting Issuer	Exchange Listed
Giles Baynham	Aton Resources Inc.	TSXV
Duane Lo	Golden Ridge Resources Ltd.	TSXV
David Cather	Galantas Gold Corporation	TSXV / LSE-AIM

Orientation and Continuing Education

When new directors are appointed, they receive an orientation, commensurate with their previous experience, on the Company's properties, business, technology and industry and on the responsibilities of directors. While the Company does not have formal orientation or training programs for new Board members, new Board members are provided with full access to the Company's record, including all publicly filed documents of the Company, technical reports, internal financial information, management & technical experts and consultants and a summary of significant securities disclosure obligations.

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.

Board meetings may also include presentations by the Company's management and employees to give the directors additional insight into the Company's business.

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 directors' 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.

Nomination of Directors

The Board has a Corporate Governance and Nominating Committee currently consisting of Peter Ruxton and Duane Lo. The Corporate Governance and Nominating Committee is responsible of identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of the shareholders. The Corporate Governance and Nominating Committee assesses potential candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. This committee considers the size and composition of the Board each year when it considers the number of directors to recommend to the Shareholders for election at the annual meeting of Shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

Compensation

The Company has a compensation committee currently consisting of Duane Lo, Peter Ruxton, and David Cather, all of whom are considered independent.

The Compensation Committee sets guidelines for determining the short-term and long-term compensation of the CEO and other executive officers based on various indicators such as individual performance, the compensation of executive officers at comparable companies, compensation in previous years, the experience and skills of the individual and any other factors the committee determines to be relevant from time to time. The Compensation Committee, in its discretion, recommends annual and long-term performance goals and objectives for the CEO and other executive officers to the Board for its approval. The Compensation Committee evaluates the performance of the CEO and other executive officers in light of the approved performance goals and objectives. The Compensation Committee also reviews and recommends the compensation for directors and committee members for approval by the Board.

For relevant education and experience of the members of the compensation committee, please see above heading "*Occupation, Business or Employment of Director Nominees*". All members of the compensation committee have gained through their experience as directors and officers of publicly listed companies, direct experience that is relevant to their responsibility on the compensation committee.

Other Board Committees

The Board has no other committees other than the Audit Committee, Corporate Governance and Nominating Committee, and the compensation committee.

Assessments

The Board is relatively small and direct communication between directors and officers is encouraged. The Board conducts informal annual assessments of the effectiveness of the Board, its individual directors and its committees.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officer

In this section, "Named Executive Officer" ("**NEO**") means each of the following individuals:

(a) an individual who served as Chief Executive Officer ("**CEO**") during the most recently completed financial year;

(b) an individual who served as Chief Financial Officer ("**CFO**") during the most recently completed financial year;

(c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO identified in paragraphs (a) and (b), at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000 for that financial year; and

(d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at September 30, 2018.

Giles Baynham, President and CEO, and Alastair Brownlow, former CFO are each a NEO of the Company for the purposes of the following disclosure.

The following disclosure sets out the compensation that the Board intended to pay, make payable, award, grant, give or otherwise provide to each NEO and director for the financial year ended September 30, 2018.

Compensation and Discussion Analysis

The compensation committee does not have a formal process for reviewing compensation of the directors and senior officers, and reviews of compensation are conducted on a periodic basis.

The compensation committee deals with executive compensation matters. The compensation committee regularly considers the implications of the risks associated with the Company's compensation program and how it might mitigate those risks. The Company does not currently believe there are any risks arising from compensation policies and practices that are reasonably likely to have an adverse effect on the Company.

The Company did not retain any compensation consultants during the financial year ended September 30, 2018.

The Company's compensation programs are designed to recognize and reward executive performance consistent with the success of the Company's business. These policies and programs are intended to attract and retain capable and experienced people. The philosophy of the Board and the compensation committee is to ensure that the Company's compensation goals and objectives, as applied to the actual compensation paid to the Company's CEO and other executive officers, are aligned with the Company's overall business objectives and with Shareholder interests.

The compensation committee considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and its Shareholders, overall financial and operating performance of the Company and the compensation committee's assessment of each executive's individual performance and contribution toward meeting corporate objectives.

Report on Executive Compensation

The compensation committee assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Company. The compensation committee determines the type and amount of compensation for the President and CEO. The compensation committee also reviews the compensation of the Company's senior executives.

Philosophy and Objectives

The compensation program for the senior management of the Company is designed to ensure that the level and form of compensation achieves certain objectives, including:

(a) attracting and retaining qualified executives;

(b) motivating the short and long-term performance of these executives; and

(c) better aligning their interests with those of the Company's Shareholders.

In compensating its senior management, the Company employs a combination of salary and equity participation through its share option plan.

Elements of the Compensation Program for the Fiscal Year 2018

The significant elements of compensation awarded during the financial year ended September 30, 2018 to the NEOs was paid in cash. The Company does not presently have a long-term incentive plan for its NEOs. There is no policy or target regarding allocation between cash and non-cash elements of the Company's compensation program. The compensation committee reviews periodically the total compensation package of each of the Company's executive officers on an individual basis, and makes recommendations for the individual components of its compensation.

Cash Salary

As a general rule, the Company seeks to offer its NEOs a compensation package that is in line with that offered by other companies in our industry, and as an immediate means of rewarding the NEO for efforts expended on behalf of the Company.

Equity Participation

The Company believes that encouraging its executives and employees to become Shareholders is the best way of aligning their interests with those of its Shareholders. Equity participation is accomplished through the Company's share option plan. Options to purchase Common Shares are granted to senior executives taking into account a number of factors, including the amount and term of options previously granted, base salary and bonuses and competitive factors. Options that vest on terms established by the Board are generally granted to senior executives of the Company.

Financial Instruments

The Company has no policy with respect to NEOs or directors purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director.

Option-Based Awards

The Company has in place a share option plan, last approved by Shareholders on April 30, 2018 (the "**Plan**"). The Plan is 10% rolling number share option plan and has been 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 Plan is administered by the Board. The Plan provides that options will be issued pursuant to option agreements to directors, officers, employees or consultants of the Company or a subsidiary of the Company. All options expire on a date not later than 10 years after the issuance of such option. Previous grants of option-based awards are taken into account when considering new grants of options. Subject to the requirements of the policies of the TSXV and the prior receipt of any necessary regulatory approval, the Board may, in its absolute discretion, amend or modify the Plan or any outstanding option granted under the Plan, as to the provisions set out in the Plan. There are currently options outstanding to purchase an aggregate of 2,789,500 Common Shares.

The Plan is also intended to emphasize management's commitment to the growth of the Company and the enhancements of Shareholders' equity through, for example, improvements in its resource base and share price increments.

The Company relies on recommendations of the Compensation Committee and discussions of the Board in granting options, and take into account management's consideration of the NEO's duties and responsibilities, the NEO's execution of such duties, and the impact of stock options on the total compensation package as envisioned by the Board for each of the NEOs. The Board generally relies on stock options to design an equitable compensation package.

Given the evolving nature of the Company's business, the Board continues to review and redesign the overall compensation plan for senior management so as to continue to address the objectives identified above.

At least annually, the Board reviews the grant of stock options to management and employees. The Board approves base salaries and stock options at the same time to facilitate consideration of target direct compensation to executive officers. Additional options may be granted as options are replenished within the Plan. Options are granted at other times of the year to individuals commencing employment with the Company. The exercise price for the options is set in accordance with the policies of the TSXV.

Limitations on the Issuance of Options

Pursuant to the Plan, in no case will a director, officer, employee or consultant or former director, officer, employee or consultant, who holds an unexercised and unexpired option or, where applicable, the personal representative of such person (an "**Option Holder**") be granted an option where the number of Common Shares that may be purchased pursuant to all options held by such person exceeds 5% of the Company's issued and outstanding share capital in any 12 month period. Additionally, in no case will a consulted or person employed in investor relations activities be granted options where the number of Common Shares that may be purchased pursuant to options held by such person exceeds 2% of the Company's issued and outstanding share capital in any 12 month period.

Expiry of Options

All options issued under the Plan expire on a date not later than 10 years after the issuance of such option. Subject to such other terms or conditions that may be attached to options granted under the Plan, the Plan provides for accelerated expiration and termination of outstanding options in certain circumstances.

In the event of the death of the Option Holder, that Option Holder's options shall expiry on the first anniversary of the Option Holder's death.

If an Option Holder holds options as a director of the Company and ceases to be a director of the Company for any reason other than death, that ex-director's options shall expire on the 90th day following that person ceasing to be a director of the Company, unless the expiry date is extended by the Board, at its discretion, in accordance with the Plan.

If an Option Holder holds options as an employee of the Company and ceases to be an employee of the Company other than by reason of death, unless otherwise provided in the option certificate, that ex-employee's options shall expire on the 90th day following that person ceasing to be an employee of the Company, unless such person was terminated for cause, in which case, that ex-employee's options shall expire on the date of termination.

If an Option Holder holds option as a consultant of the Company and such Option Holder ceases to be a consultant of the Company other than by reason of death, unless otherwise provided in the option certificate, that person's options shall expiry on the 30th day following that person ceasing to be a consultant of the Company, unless the Option Holder ceases to be a consultant of the Company as a result of an order made by any regulatory authority having jurisdiction to so order, in which case that ex-consultant's options shall expiry on the date of termination.

If an Option Holder holds option in an investor relations capacity to the Company, and such Option Holder ceases to provide investor relations services to the Company , that person's options shall expiry on the 30th day following that person ceasing to provide investor relations services to the Company, unless the Option Holder ceases to provide investor relations services to the Company as a result of termination for cause or an order made by any regulatory authority having jurisdiction to so order; in which case that person's options shall expire on the date of termination.

Perquisites and Other Personal Benefits

The Company's NEOs are not generally entitled to significant perquisites or other personal benefits not offered other employees to the Company.

SUMMARY COMPENSATION TABLE

The compensation paid to the NEO's during the Company's three most recently completed financial years ended September 30, 2018, 2017 and 2016 is as set out below and is expressed in Canadian dollars.

Name and principal position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-equity incentive plan compensation		Pension value[2] ($)	All other compen-sation ($)	Total compen-sation ($)
					Annual incentive plans ($)	Long-term incentive plans ($)			
Giles Baynham[3]									
President,	2018	343,200[5]	Nil	47,461[1]	Nil	Nil	Nil	Nil	390,661
CEO	2017	364,200	Nil	4,774	Nil	Nil	Nil	Nil	368,974
and Director	2016	135,000	Nil	21,765	Nil	Nil	Nil	Nil	156,765
Alastair Brownlow[4]	2018	Nil	Nil	20,970[1]	Nil	Nil	Nil	106,904[6]	127,784
Former CFO	2017	Nil	Nil	Nil	Nil	Nil	Nil	44,125[6]	44,125

Notes:

(1) The value is based on the calculated fair value on the dates of grant. The assumptions used in the Black-Scholes valuation of the options to calculate stock-based compensation expense in the financial statements were as follows: Risk-free interest rate of 1.81%, Expected life of options – 3 years and annualized volatility- 126.64%.

(2) The Company has no pension plans for its directors, officers or employees.

(3) Mr. Baynham was appointed as President and CEO on January 12, 2016 and as a director of the Company on January 29, 2016.

(4) Mr. Brownlow was appointed as CFO on June 16, 2017. Mr. Brownlow's tenure as CFO ended on June 24, 2019.

(5) In March 2019, Mr. Baynham’s salary was reduced to $180,000 per year.

(6) Consulting fees for CFO services were paid to Red Fern Consulting Ltd., a company of which Mr. Brownlow is an employee.

INCENTIVE PLAN AWARDS

Outstanding Share-based Awards and Option-based Awards

No share-based awards were granted to the NEOs of the Company. The following table sets out all option- based awards outstanding as at September 30, 2018, for each NEO:

	Option-based Awards			
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date (M/D/Y)**	**Value of unexercised in-the-money options ($)[3]**
Giles Baynham President, CEO and Director	150,000[1] 500,000[2]	$0.50 $0.30	05/30/21 01/14/23	Nil Nil
Alastair Brownlow Former CFO	225,000[2]	$0.30	01/14/23	Nil

Notes:

(1) These options to purchase Common Shares were granted on May 30, 2016.

(2) These options to purchase Common Shares were granted on January 14, 2018.

(3) These options have an exercise prices greater than the closing price of $Nil for the Common Shares of the Company on the TSXV on September 30, 2018.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the year ended September 30, 2018, for each NEO:

Name	**Option-based awards – Value vested during the year ($)**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Giles Baynham	Nil	Nil	Nil
Alastair Brownlow	Nil	Nil	Nil

NEO External Management Companies

All of the NEO's are employees of the Company, with the exception of Mr. Brownlow who is an employee of Red Fern Consulting Ltd. ("**Red Fern**"). The Company had an agreement with Red Fern

whereby the Company paid Red Fern a monthly retainer of $7,500 per month plus $150 per hour in excess of 50 hours of service per month to provide CFO services to the Company. Red Fern provides services to a number of companies and paid an estimated $35,000 to Mr. Brownlow in connection with services provided to the Company during the year ended September 30, 2018.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Giles Baynham

The Company entered into an employment agreement dated January 11, 2016 with Giles Baynham ("**Baynham Agreement**") pursuant to which it engaged Mr. Baynham as its CEO. Mr. Baynham's base salary is currently $180,000 per annum. In addition, Mr. Baynham is eligible for a possible annual bonus at the discretion of the Board.

In the event of a change of control within 90 days of any such change of control should the Company or Mr. Baynham terminate the Baynham Agreement other than for a reason of cause, Mr. Baynham will be entitled to a payment upon such termination of an amount equal to one year's salary in cash.

Pursuant to the Baynham Agreement, a change of control means the acquisition by a person in any manner, directly or indirectly, of beneficial ownership of all or a material portion of the assets of the Company or any of its Subsidiaries, or to acquire in any manner, directly or indirectly, beneficial ownership of or control or direction over more than 50% of the outstanding voting shares of the Company, whether by means of an arrangement or amalgamation, a merger, consolidation or other business combination, a sale of shares or assets, a take-over bid, tender offer or exchange offer, or any other transaction involving the Company, or any of its subsidiaries, including, without limitation, any single or multi-step transaction or series of related transactions structured to permit such person to acquire beneficial ownership of all or a material portion of the assets of the Company, or any of its subsidiaries or to acquire in any manner, directly or indirectly, more than 50% of the outstanding voting shares of the Company.

Had Mr. Baynham's employment been terminated without cause on September 30, 2018 following a change of control, he would have received $330,000. Mr. Baynham’s salary was increased to $330,000 per annum in June 2017 and the subsequently reduced back to $180,000 per annum in March 2019.

DIRECTOR COMPENSATION

For the fiscal year beginning October 1, 2014, the Company had an annual director fee retainer structure to be paid quarterly and only to non-executive directors of the Company of $25,000 per annum. Effective September 9, 2015, the Company ratified the director fee structure and the annual director fee retainer was reduced to $nil. Effective the February 28, 2017, the Company amended the director fee structure to an annual retainer to be paid quarterly and only to non-executive directors of the Company of $20,000 per annum.

The Company has no arrangements, standards or otherwise, except as discussed above pursuant to which directors are compensated by the Company or its subsidiaries in their capacity as directors, or for committee participation, involvement in special assignments or for services as a consultant or expert during the most recently completed financial year or subsequently, up to and including the date of this Information Circular.

Director Compensation Table

The compensation provided to the directors, excluding a director who is already set out in disclosure for a NEO for the Company's most recently completed financial year of September 30, 2018 is as set out below:

Name	Fees earned ($)	Share-based awards ($)	Option-based awards[(1)] ($)	Non-equity incentive plan compensation ($)	Pension value ($)[(2)]	All other compensation ($)	Total ($)
Scott Morrison[(3)]	20,000	Nil	23,230	Nil	Nil	Nil	43,320
Duane Lo	20,000	Nil	23,230	Nil	Nil	Nil	43,320
David Cather	20,000	Nil	23,230	Nil	Nil	Nil	43,320
Keith Carpenter	20,000	Nil	23,230	Nil	Nil	Nil	43,320
Peter Ruxton [(4)]	20,000	Nil	23,230	Nil	Nil	Nil	43,320

Notes:

(1) The value is based on the calculated fair value on the dates of grant. The assumptions used in the Black-Scholes valuation of the options to calculate stock-based compensation expense in the financial statements were as follows: Risk-free interest rate of 1.81%, Expected life of options – 3 years and annualized volatility- 126.64%.

(2) The Company has no pension plans for its directors, officers or employees.

(3) Mr. Morrison resigned as a director on February 21, 2019.

(4) Mr. Ruxton was appointed Interim CFO on June 24, 2019. He previously acted as Interim CFO from April 25, 2017 to June 16, 2017.

Outstanding Share-based Awards and Option-based Awards

No share-based awards were granted to the directors of the Company. The following table sets out all option-based awards outstanding as at September 30, 2018, for each director, excluding a director who is already set out in disclosure for a NEO for the Company:

Name	Option-based Awards			
	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date (M/D/Y)	Value of unexercised in-the-money options ($)[7]
Scott Morrison	50,000[1] 250,000[6]	0.50 0.30	03/08/22 01/24/23	Nil Nil
Duane Lo	50,000[2] 250,000[6]	0.50 0.30	05/30/21 01/24/23	Nil Nil
David Cather	50,000[1] 250,000[6]	0.50 0.30	03/08/22 01/24/23	Nil Nil
Keith Carpenter	50,000[3] 250,000[6]	0.50 0.30	07/04/22 01/24/23	Nil Nil
Peter Ruxton Interim CFO	50,000[2] 250,000[6]	0.50 0.30	05/30/21 01/24/23	Nil Nil
	10,000[4] 250,000[6]	1.00 0.30	10/05/20 01/24/23	Nil Nil
	39,500[5] 250,000[6]	2.30 0.30	02/02/20 01/24/23	Nil Nil

Notes:

(1) These options to purchase Common Shares were granted on March 8, 2017.

(2) These options to purchase Common Shares were granted on May 30, 2016.

(3) These options to purchase Common Shares were granted on July 4, 2017.

(4) These options to purchase Common Shares were granted on October 5, 2015.

(5) These options to purchase Common Shares were granted on February 2, 2015.

(6) These options to purchase Common Shares were granted on January 24, 2018

(7) These options have an exercise price greater than the closing price of $Nil for the Common Shares of the Company on the TSXV on September 30, 2018.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out all incentive plans (value vested or earned) during the year ended September 30, 2018, for each director:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Scott Morrison	Nil	Nil	Nil
Duane Lo	Nil	Nil	Nil
David Cather	Nil	Nil	Nil
Keith Carpenter	Nil	Nil	Nil
Peter Ruxton	Nil	Nil	Nil

The value of the options that vested during the financial year is based on the difference between the exercise price of the options and the closing price of the Common Shares on the TSXV on the applicable vesting date. If the closing price of the Common Shares on such date was below the exercise price, the options had no then current value and are valued at nil. The options may not have been exercised on such date or subsequently and, accordingly, the amount shown may not reflect the actual amount, if any, realized by the director.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The only equity compensation plan the Company has in place is the Plan which was last approved by Shareholders of the Company on April 30, 2018. The Plan has been 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 Plan is administered by the Board. The Plan provides that options will be issued to directors, officers, employees or consultants of the Company or a subsidiary of the Company. The Plan provides that the number of Common Shares issuable under the Plan, together with all of the Company's other proposed share compensation arrangements, if any, may not exceed 10% of the total number of issued and outstanding Common Shares. All options expire on a date not later than 10 years after the date of grant of such option. See heading below "*Re-Approval of Stock Option Plan*" for additional disclosure regarding the Plan.

Equity Compensation Plan

The following table sets out equity compensation plan information as at the end of the financial year ended September 30, 2018:

Plan Category	Number of securities to be issued upon exercise of outstanding options[(1)]	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))[(2)]
	(a)	**(b)**	**(c)**
Equity compensation plans approved by security holders (the Plan)	3,129,500	$0.41	1,875,698
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	3,129,500	$0.41	1,875,698

Notes:

(1) Since the year end of September 30, 2018, nil options to purchase Common Shares have been granted to directors, officers, employees and consultants, no options to purchase Common Shares have been exercised, and no options to purchase Common Shares have expired. As at the date hereof there are options outstanding to purchase 2,789,500 Common Shares.

(2) As at the date hereof there are options available for grant to purchase 2,215,698 Common Shares.

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 or any of its subsidiaries as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed herein, there are no transactions in which a material interest, direct or indirect, of any informed person of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, 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 other than as set out herein or in a document disclosed to the public.

Since the commencement of the Company's most recently completed financial year, no informed person (as defined in National Instrument 51-102 "*Continuous Disclosure Obligations*"), proposed director of the company, or any associate or affiliate of the foregoing persons, had any material interest, direct or

indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

PARTICULARS OF MATTERS TO BE ACTED UPON

Re-Approval of Stock Option Plan

Re-Approval of the Amended and Restated 2015 Stock Option Plan

The Company's 2015 Stock Option Plan as amended on April 18, 2016 (the "**Amended and Restated 2015 Stock Option Plan**"), is a rolling stock option plan that sets the number of options available for grant by the Board at an amount equal to 10% of the Company's issued and outstanding Common Shares from time to time. In accordance with TSXV Corporate Finance Manual Policy 4.4 – *Incentive Stock Options*, the Amended and Restated 2015 Stock Option Plan, as a rolling stock option plan, must be approved and ratified by the Company's Shareholders on an annual basis. The Amended and Restated 2015 Stock Option Plan is attached hereto as Schedule "B".

The Stock Option Plan Resolution

At the Meeting, Shareholders will be asked to approve an ordinary resolution (the "**Stock Option Plan Resolution**") re-approving the Amended and Restated 2015 Stock Option Plan.

"BE IT RESOLVED, as an ordinary resolution of shareholders of the Company, that:

1. the Company's 10% rolling stock option plan (the "**Amended and Restated 2015 Stock Option Plan**") previously approved by shareholders of the Company on April 30, 2018, is hereby authorized, approved and ratified;

2. the Company be and is hereby authorized to grant stock options under the Amended and Restated 2015 Stock Option Plan, in accordance with its terms;

3. all unallocated options issuable pursuant to the Amended and Restated 2015 Stock Option Plan are hereby approved, authorized and ratified; and

4. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to these resolutions."

Unless otherwise specified, the persons named in the enclosed Proxy will vote **FOR** the Stock Option Plan Resolution.

The Board unanimously recommends that each Shareholder vote FOR the Stock Option Plan Resolution. Common Shares represented by proxies in favour of the management nominees will be voted FOR the Stock Option Plan Resolution, unless a Shareholder has specified in its Proxy that their Common Shares are to be voted against the Stock Option Plan Resolution.

Approval of Sale of All or Substantially All of the Undertaking

The Company proposes to sell its Brazilian fertilizer business in a transaction (the "**Transaction**") with Geofoscal Comércio, Indústria, Representações e Transporte de Produtos Agropecuários Ltda.

("**Geofoscal**"), an arm's length Brazilian privately owned limited liability company. The Transaction involves the sale of all of the Company's shares (the "**Assets**") of Dusolo Mineração Ltda. ("**Dusolo**"), a wholly-owned subsidiary of the Company, and includes the assumption of: the Company's Brazilian working capital deficit estimated at R$5,300,000 (approximately C$1,740,000) as of June 30, 2019; all liabilities, current and future in Brazil estimated at R$6,869,000 (approximately C$2,238,000) as of June 30, 2019; and all future working capital and capital expenditure needs of the Brazilian fertilizer business. The Assets represent all of the Company's assets, liabilities or undertakings in Brazil.

In consideration for the acquisition of the Assets from the Company, Geofoscal has agreed to: pay the Company R$1,000,000 (approximately C$326,000 as of September 12, 2019) (the "**Purchase Price**"). In addition, the Transaction includes a 10 year "tail" whereby if Geofoscal transfers any of its interest in the Assets to a third party for a gain of net proceeds, the Company shall be entitled to 50% of such gain of net proceeds (the "**Earn Out Provision**").

Payment of the Purchase Price will be made on the terms and conditions set forth in the share purchase and sale agreement (the "**Agreement**"), dated as of June 17, 2019 and entered into between the Company, Geofoscal, Dusolo and P-Tec Agro Mineração SPE Ltda., ("**P-Tec**") a wholly-owned subsidiary of the Company. For further details regarding the Agreement and the Purchase Price payable by Geofoscal see "*The Agreement*".

The Company has established a Special Committee comprising of the independent directors to the Board to identify a new business venture for the Company.

Background to the Transaction

The Company invested in a small natural phosphate mine in Brazil, with the intention of selling crushed and screened organic fertilizer products directly to consumers such as farmers and plantations. In 2015, the Company changed its Board and management to add more experience and technical knowledge, as well as to add new independent non-executive directors with international business and relevant technical experience.

Since 2015, the Company has focused on the rationalization of its existing operations, a thorough re-assessment of the original business plan and a detailed review of the available markets for the Company’s products. This resulted in changes to both operational and marketing / sales activities which led to an increase in the Company’s production, sales and market share.

In addition the Company completed numerous legal, permitting and financial management changes to its operations in Brazil, in order to correct legacy issues inherited from previous management and Board of Directors. Given the nature of these legacy shortfalls, the reality of conducting business in Brazil and its inherent bureaucracy, correcting these legacy issues required significant time, cost and management input. Despite these difficulties, by late 2017, the Company was enjoying its busiest delivery season to date, and was well positioned to continue expansion in 2018. In addition the Company had completed its first NI 43-101 Preliminary Economic Assessment of the Company’s producing asset.

The Company had prepared various options for the continued growth of the business, all of which required an investment of working capital and additional infrastructure projects at the Santiago operation (for example the construction of a covered warehousing and a granulating line to expand the market available to the Company and improve operations during the annual wet season). Unfortunately, the current operation could not produce adequate positive cash flows to support both the operation and the corporate overhead without on-going investment from external sources to support working capital, infrastructure and equipment investments needed to expand operations and generate positive cash flow.

When the Company approached various capital, debt and equity markets to raise the necessary funds to execute its plans, funding was unavailable in the amounts needed.

Given the Company's inability to raise the required funds, certain existing shareholders of the Company provided the minimum funding required to keep the Company operating, as the Board and management turned its attention to alternative funding options for the business, including corporate, joint venture, partnership options, and ultimately the sale of the Brazilian business.

Numerous projects were reviewed and several pursued, however financing was again an issue, with very limited capital of any type available for junior resource companies. Simultaneously the Company pursued options to either sell, merge or acquire other phosphate and fertilizer related businesses to add positive cash flow and scale up its business, critical mass being important to increasing sales. Regular updates were provided to the Board by Management, including weekly cash flow forecasts, analyses of business opportunities and on-going marketing and sales updates. However, the Company had no success in finding such an alternative transaction.

In May 2018 and August 2018, the Company conducted two small equity private placements that were primarily funded by the Company's main Shareholders, in order to fund corporate costs, business development and provide working capital for the Company; however the Company anticipated that ongoing dilutive financings would be required.

In April 2019, the Company management was mandated by the Board to approach Geofoscal, a Brazilian company focused on agricultural production, sales of fertilizer products and distribution of the same. The Company entered detailed discussions with Geofoscal in April, 2019 and an expedited due diligence process was commenced along with negotiation of definitive documentation.

Prior to the execution of the Agreement, the Board met to consider the draft definitive documentation and voted unanimously to proceed with discussions with Geofoscal to assess the viability of a disposition transaction.

The Board was provided with weekly updates and appraisals of the progress of the diligence and the negotiations between the Company and Geofoscal.

On June 17, 2019, following negotiation of the substantial terms of the Transaction, the Board met to consider the Transaction and the Agreement. After a detailed review of the Transaction and the Agreement, and after thoroughly discussing the Company's prospects, the timing of the Transaction in the context of current market and economic conditions, the consideration being offered and possible alternatives to the Transaction (including a possible equity financing and the resulting dilution to Shareholders), the Board unanimously concluded the Transaction to be fair and in the best interests of the Company and (i) approved the Transaction; (ii) authorized and approved the entering into of the Agreement in substantially in the form circulated to the Board; and (iii) recommend that the Shareholders vote in favour of the Transaction and the Transaction Resolution.

The Purchase Price represented a premium to the trading price of the Company's Common Shares on the date of signing of the Agreement, and of equal significance allowed the Company to eliminate the Brazilian working capital deficit and Brazilian liabilities, including any liabilities the Company would have incurred in simply closing down the business in addition to its working capital deficit.

After entering into the Agreement, the Company completed an updated review of its long-term cash flow projections and assumptions and, upon concluding that no further alternatives were available to continue to fund the business in a sustainable manor, the Company concluded that the assets of its business were

impaired. As such, the Company's condensed consolidated interim financial statements for the quarters ended June 30, 2019 and 2018, filed on SEDAR at www.sedar.com, recognized an impairment of the Company's exploration and evaluation assets to the Purchase Price.

As at June 28, 2019, Geofoscal has provided the Company with a purchase price installment in the amount of R$500,000. If the Transaction is not completed, and either the Company or Geofoscal terminate the Agreement the Company has 30 days to repay the installment. The installments will bear interest at the Brazilian IPCA Index rate (currently 3.43%). Geofoscal has been funding the working capital and other liabilities of the Brazilian subsidiaries by making loans. The loans mature on the earlier of the 31 December 2019, or 30 days after termination of the Agreement. Interest on the loans will be charged at the SELIC rate (currently 6%), published by the Brazilian Central Bank. The amount of the loans currently made by Geofoscal is R$671,453 (approximately C$216,320 as of September 12, 2019).

Recommendation of the Board

The Board, having undertaken a thorough review of, and having carefully considered the terms of the Agreement, in consultation with management of Company, legal and financial advisors and having considered such other matters as it considered relevant, unanimously determined that the execution, delivery and performance of the Agreement is fair to and in the best interests of the Company and that the terms and conditions thereof, and all matters contemplated therein, were approved and the Company was authorized to enter into the Agreement and perform its obligations thereunder.

Accordingly, the Board recommends that the Shareholders vote **FOR** the Transaction Resolution.

Reasons for the Recommendation of the Board

After careful consideration, the Board unanimously determined that the Transaction is fair to and in the best interests of the Company. Accordingly, the Board unanimously determined that the execution, delivery and performance of the Agreement is fair to and in the best interests of the Company and that the terms and conditions thereof, and all matters contemplated therein, were approved and the Company was authorized to enter into the Agreement and perform its obligations thereunder.

In the course of its evaluation of the Transaction, the Board consulted with the Company's senior management, reviewed a significant amount of information and considered numerous factors, including, among others, the following:

(a) On June 17, 2019, the date the Board considered the Transaction, the Purchase Price represented a 100% premium to the Company's undiluted market capitalization, after factoring in the working capital deficit and future liabilities to be assumed by the purchaser in the transaction. In the Board's opinion the Transaction fairly represents the value of the Company's Brazilian fertilizer business taking into account (a) the small scale of current production; (b) Company's Brazilian working capital deficit, (c) the Company's current and future liabilities in Brazil; and (d) the future working capital and capital expenditure needs of the Brazilian fertilizer business.

(b) The Purchase Price to be received by the Company pursuant to the Transaction is all cash, which provides certainty of value when compared to consideration involving securities.

(c) The Agreement contains the Earn Out Provision, which allows the Company to benefit from future increases in value of the Assets if Geofoscal transfers any of its interest in the Assets to a third party for a gain of net proceeds within 10 years of the Transaction.

(d) The Company does not have any other offers for the purchase of its Brazilian fertilizer business.

(e) The Board's assessment that continuing to operate the Company as a junior resource company was not reasonably likely to create significant near-term value for Shareholders.

(f) There is significant competition in the fertilizer business and for the Company to compete it would have to achieve significant size and economies of scale, neither of which seemed achievable in the context of current markets. If the Company was to materially increase the size of its existing operations it would require significant additional capital and resulting dilution.

(g) Current and anticipated financial market conditions, and historical market prices, volatility and trading information with respect to world prices for phosphate rock and natural fertilizer and the Company's Common Shares.

(h) The financial condition, historical results of operations, competitive position and business and strategic objectives of the Company, as well as the risks involved in achieving those objectives.

(i) The Company has undertaken a lengthy process of evaluating opportunities to finance its operations through debt, all of which proved unsuccessful.

(j) The Company has undertaken a lengthy process of evaluating opportunities to finance its operations through an equity offering, which would result in substantial dilution to existing Shareholders and would have pushed the timeline for potential financial returns off a significant time period.

(k) The likelihood that the Transaction will be consummated, considering the experience, reputation and financial capabilities of Geofoscal and its management, and the absence of significant closing conditions other than customary closing conditions.

In the course of its deliberations, the Board also identified and considered a variety of risks and potentially negative factors, including, but not limited to:

(a) There can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the Purchase Price to be paid pursuant to the Transaction.

(b) Whether or not the Transaction is completed, the Company will continue to face many of the risks that it currently faces with respect to its business and affairs, including the current economic conditions.

The foregoing summary of the information and factors considered by the Board is not intended to be exhaustive of the factors considered by the Board in reaching its conclusion and making its recommendation, but does include the material information, factors and analysis considered by the Board in reaching its conclusion and recommendation. The Board evaluated the various factors summarized above in light of its own knowledge of the business and the fertilizer production industry and the prospects of the Company.

In view of the numerous factors considered in connection with the Board's evaluation of the Transaction, the Board did not find it practical to, and did not, quantify or otherwise attempt to fix relative weight to specific factors in reaching its decision. Individual Board members may have given different weight to different factors. The conclusion and unanimous recommendation of the Board was made after considering all of the information and factors involved.

The Agreement

The Company entered into the Agreement with the Geofoscal as of June 17, 2019. The terms of the Agreement are the result of arm's length negotiations conducted between representatives of the Company and Geofoscal. The following is a summary of the material provisions of the Agreement. This summary does not purport to be complete and reference should be made to the full text of the Agreement, copies of which has been filed under the Company's profile on SEDAR at www.sedar.com.

Purchase and Sale

The Company has agreed to sell the Assets, which represent all of the Company's assets or undertakings, to Geofoscal. For the acquisition of the Assets, Geofoscal has agreed to pay to the Company the Purchase Price in accordance with the following schedule:

(a) June 24, 2019 – R$500,000 (approximately C$166,000);

(b) October 15, 2019 – R$250,000 (approximately C$83,000);

(a) December 13, 2019 – R$250,000 (approximately C$83,000).

If the Closing Date precedes the complete payment of the Purchase Price, the remaining installments shall be accelerated and made on the Closing Date without adjustment. On June 28, 2019, 2019, the Company received the first installment of the Purchase Price. If the Transaction is not completed, that amount shall become a loan repayable by the Company on request by Geofoscal.

The Company and Geofoscal have also agreed to the Earn Out Provision, pursuant to which, if, within 10 years after the Closing Date, Geofoscal transfers any equity interest in Dusolo to a third party, the Company shall be entitled to payment of an additional amount equivalent to 50% of any net gain realized by Geofoscal. Regardless of the type of consideration received by Geofoscal for the transfer of an interest in Dusolo, the Company shall receive cash payments for its portion within 15 days of receipt by Geofoscal.

Conduct of Business

From the date of the Agreement until the Closing Date (the "**Interim Period**"), Geofoscal shall be entitled to take part in the management of the Dusolo and P-Tec by accessing financial and commercial documents and information and discussion operations and commercial and financial strategies with the current officers of the Dusolo and P-Tec. Although Geofoscal shall be entitled to take part and provide input on discussions regarding the operations and commercial and financial strategies of the Dusolo and P-Tec, until the Closing Date, current officers of the Dusolo and P-Tec, as applicable, shall retain the final decision making power for each company.

Additionally, if necessary during the Interim Period, Geofoscal, as lender, shall enter into loan agreements with the Dusolo and/or P-Tec to provide cash flow for operation of the Dusolo and/or P-Tec. All loans shall be subject to repayment to Geofoscal and subject to interest in accordance with the SELIC rate determined by the Brazilian Central Bank.

Closing

The closing of the Transaction is to take place up to seven days after notice is provided by the Company to Geofoscal that the conditions precedent to the Transaction are fulfilled (the "**Closing Date**") and is anticipated to place in late October.

The closing conditions contained in the Agreement are customary for transactions such as the Transaction and include, among other things, that:

(a) All covenants and obligations of Geofoscal having been performed or waived.

(b) The Transaction having been approved by the TSXV.

(c) The Transaction having been approved by Shareholders of the Company.

Readers are referred to the full text of the Agreement for full details regarding closing conditions.

Regulatory Acceptance

The acceptance of the Transaction by the TSXV is required prior to completing the Transaction because it constitutes a Reviewable Transaction under TSXV policies. The Company will will not proceed with the Transaction if TSXV acceptance or approval is not obtained. The Company has applied to the TSXV for conditional acceptance for the Transaction and anticipates receiving conditional acceptance prior to the Closing Date. TSXV acceptance of a Reviewable Transaction, whether conditional acceptance or final acceptance, should not be interpreted to mean that the TSXV has in any way passed on the merits of the Transaction.

Transfer to NEX

If the Company completes the Transaction, the TSXV may require that the Company transfers its listing to NEX or that it complete a subsequent transaction to meet the TSXV's continued listing requirements. NEX comprises TSXV listed issuers that do not meet the TSXV's Tier 2 tier maintenance requirements. At this time, the Board has not made any definitive business decisions regarding its post-Transaction business, but will be exploring all available options in the interest of all Shareholders at the appropriate time.

Shareholder Approval

The Transaction Resolution is a special resolution and, as such, must be approved by at least less two-thirds of votes cast by Shareholders present in person, or represented by proxy at the Meeting in accordance with the BCBCA. A resolution such as the Transaction Resolution gives rise to dissent rights under the BCBCA. These dissent rights are described below under the heading "*Dissent Rights*".

The Board unanimously recommends that Shareholders vote in favour of the proposed special resolution (the "**Transaction Resolution**") approving the Transaction, the text of which is as follows:

"BE IT RESOLVED, as a special resolution of shareholders of the Company, that:

1. in accordance with section 301(1) of the *Business Corporations Act* (British Columbia), the sale of all of the Company's shares of Dusolo Mineração Ltda. ("**Dusolo**"), a wholly-owned subsidiary of the Company, to Geofoscal Comércio, Indústria, Representações e Transporte de Produtos

Agropecuários Ltda. ("**Geofoscal**"), an arm's length Brazilian limited liability company, for an purchase price of R$1,000,000, as provided for in the share purchase and sale agreement (the "**Agreement**") dated as of June 17, 2019 between the Company, Geofoscal, Dusolo and P-Tec Agro Mineração SPE Ltda., a wholly-owned subsidiary of the Company, be and is hereby approved;

2. the execution of the Agreement, and the performance of the obligations thereunder, are hereby authorized, ratified and confirmed;

3. any one director or officer of the Company is authorized, on behalf of the Company, to execute and deliver any documents and instruments and take any such action as such director or officer may determine to be necessary or desirable to implement these resolutions and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such action; and

4. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to these resolutions."

Unless otherwise specified, the persons named in the enclosed Proxy will vote **FOR** the Transaction Resolution.

The Board unanimously recommends that each Shareholder vote FOR the Transaction Resolution. Common Shares represented by proxies in favour of the management nominees will be voted FOR the Transaction Resolution, unless a Shareholder has specified in its Proxy that their Common Shares are to be voted against the Transaction Resolution.

Dissent Rights

A Registered Shareholder is entitled to dissent in respect of the Transaction Resolution ("**Dissent Rights**") and be paid by the Company the fair value of their Common Shares in accordance with section 245 of the BCBCA if such Registered Shareholder dissents from the Transaction and otherwise complies with the procedure set out in Division 2 of Part 8 of the BCBCA.

If Registered Shareholders validly dissent in respect of a significant number of Common Shares, a substantial cash payment may be required to be made to such Shareholders, which could have an adverse effect on the Company's financial condition and cash resources.

The following is a summary of the provisions of the BCBCA relating to a Shareholder's dissent and appraisal rights in respect of the Transaction Resolution. Such summary is not a comprehensive statement of the procedures to be followed by a Registered Shareholder who wishes to duly and validly exercise their Dissent Rights ("**Dissenting Shareholder**") and seek payment of the fair value of its Common Shares ("**Dissent Shares**") and the following summary is qualified in its entirety by reference to the full text of Division 2 of Part 8 of the BCBCA (the "**Dissent Procedures**").

The statutory provisions dealing with the right of dissent are technical and complex. Any Dissenting Shareholders should seek independent legal advice, as failure to comply strictly with the provisions of Division 2 of Part 8 of the BCBCA, which are attached to this Information Circular as Schedule "D", may result in the loss of all Dissent Rights. Each Dissenting Shareholder is entitled to be paid the fair value (determined immediately before passing of the Transaction Resolution) of all but not less than all, of the

holder's Common Shares, provided that the holder duly dissents to the Transaction Resolution and the Transaction becomes effective.

In many cases, Common Shares beneficially owned by a holder are registered either (a) in the name of an intermediary that the Beneficial Shareholder deals with in respect of such shares, such as, among others, banks, trust companies, securities brokers, trustees and other similar entities, or (b) in the name of a depositary, such as CDS & Co., of which the intermediary is a participant. Accordingly, a Beneficial Shareholder will not be entitled to exercise his, her or its rights of dissent directly (unless the Common Shares are re-registered in the Beneficial Shareholder's name).

In order for a Shareholder to dissent, a written objection (a "**Notice of Dissent**") to the Transaction must be received by the Company at 1100 – 1111 Melville Street, Vancouver, BC V6E 3V6, Attention: Christina Boddy no later than 10:00 a.m. (Vancouver time) on October 16, 2019 or the date that is 48 hours, excluding Saturdays, Sundays and statutory holidays prior to the date of any adjournment or postponement of the Meeting. Such Notice of Dissent must strictly comply with the requirements of section 242 of the BCBCA. Any failure by a Registered Shareholder to fully comply with the provisions of the BCBCA may result in the loss of that holder's Dissent Rights.

To exercise Dissent Rights, a Registered Shareholder must prepare a separate Notice of Dissent for himself, herself or itself, if dissenting on his, her or its own behalf, and for each other Beneficial Shareholder who beneficially owns Common Shares registered in the Shareholder's name and on whose behalf the Shareholder is dissenting; and must dissent with respect to all of the Common Shares registered in his, her or its name or if dissenting on behalf of a Beneficial Shareholder, with respect to all of the Common Shares registered in his, her or its name and beneficially owned by the Beneficial Shareholder on whose behalf the Shareholder is dissenting. The Notice of Dissent must set out the number of Common Shares in respect of which the Dissent Rights are being exercised (the "**Notice Shares**") and: (a) if such Common Shares constitute all of the Common Shares of which the Shareholder is the registered and beneficial owner and the Shareholder owns no other Common Shares beneficially, a statement to that effect; (b) if such Common Shares constitute all of the Common Shares of which the Shareholder is both the registered and beneficial owner, but the Shareholder owns additional Common Shares beneficially, a statement to that effect and the names of the Registered Shareholders, the number of Common Shares held by each such Registered Shareholder and a statement that written notices of dissent are being or have been sent with respect to such other Common Shares; or (c) if the Dissent Rights are being exercised by a Registered Shareholder who is not the beneficial owner of such Common Shares, a statement to that effect and the name of the Beneficial Shareholder and a statement that the Registered Shareholder is dissenting with respect to all Common Shares of the Beneficial Shareholder registered in such registered holder's name.

If the Transaction Resolution receives Shareholder approval, and the Company notifies a registered holder of Notice Shares of the Company's intention to act upon the Transaction Resolution pursuant to section 243 of the BCBCA, in order to exercise Dissent Rights such Registered Shareholder must, within one month after the Company gives such notice, send to the Company a written notice that such holder requires the purchase of all of the Notice Shares in respect of which such holder has given Notice of Dissent. Such written notice must be accompanied by the certificate or certificates representing those Notice Shares (including a written statement prepared in accordance with section 244(1)(c) of the BCBCA if the dissent is being exercised by the Registered Shareholder on behalf of a Beneficial Shareholder), whereupon, subject to the provisions of the BCBCA relating to the termination of Dissent Rights, the Registered Shareholder becomes a Dissenting Shareholder, and is bound to sell and the Company is bound to purchase those Common Shares. Such Dissenting Shareholder may not vote, or exercise or assert any rights of a Shareholder in respect of such Notice Shares, other than the rights set forth in Division 2 of Part 8 of the BCBCA.

The BCBCA does not provide, and the Company will not assume, that a vote against the Transaction Resolution or an abstention constitutes a Notice of Dissent. A Dissenting Shareholder need not vote its Shares against the Transaction Resolution in order to dissent but must not vote (in person or by way of proxy) any Common Shares held in favour of the Transaction Resolution.

The Dissenting Shareholders who:

- ultimately are entitled to be paid fair value for their Common Shares, will be entitled to be paid the fair value of such Common Shares, and will not be entitled to any other payment or consideration; or

- ultimately are not entitled, for any reason, to be paid fair value for such Common Shares shall be deemed to have participated in the Transaction on the same basis as a non-dissenting holder of Common Shares.

If a Dissenting Shareholder is ultimately entitled to be paid for their Dissent Shares, such Dissenting Shareholder may enter into an agreement for the fair value of such Dissent Shares. If such Dissenting Shareholder does not reach an agreement, such Dissenting Shareholder, or the Company, may apply to the Supreme Court of British Columbia (the "**Court**"), and the Court may determine the payout value of the Dissent Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on the Company to make an application to the Court. The Dissenting Shareholder will be entitled to receive the fair value that the Common Shares had immediately before passing of the Transaction Resolution. After a determination of the fair value of the Dissent Shares, the Company must then promptly pay that amount to the Dissenting Shareholder.

In no circumstances will the Company or any other person be required to recognize a person as a Dissenting Shareholder: (i) if such person has voted or instructed a proxy holder to vote such Notice Shares in favour of the Transaction Resolution; or (ii) unless such person has strictly complied with the Dissent Procedures for exercising Dissent Rights set out in Division 2 of Part 8 of the BCBCA and does not withdraw such Notice of Dissent prior to the Closing Date.

Dissent Rights with respect to Notice Shares will terminate and cease to apply to the Dissenting Shareholder if, before full payment is made for the Notice Shares, the Transaction in respect of which the Notice of Dissent was sent is abandoned or by its terms will not proceed, a court permanently enjoins or sets aside the corporate action approved by the Transaction Resolution, or the Dissenting Shareholder withdraws the Notice of Dissent with the Company's written consent. If any of these events occur, the Company must return the share certificates or book-entry advice statements representing the Common Shares to the Dissenting Shareholder and the Dissenting Shareholder regains the ability to vote and exercise its rights as a Shareholder.

The above is only a summary of the Dissent Procedures which are technical and complex. If you are a Registered Shareholder and wish to exercise your Dissent Rights, you should seek your own legal advice as failure to strictly comply with the Dissent Procedures, will result in the loss of your Dissent Rights.

Approval of the Common Share Consolidation

At the Meeting, Shareholders will be asked to consider, and if thought fit, to pass with or without amendment, a special resolution (the "**Consolidation Resolution**") to approve a consolidation of the Company's issued and outstanding Common Shares (the "**Consolidation**") on a basis of up to 50 pre-consolidation Common Shares being consolidated into one post-Consolidation Common Shares, or such lesser number of pre-Consolidation Common Shares as may be accepted by the TSXV and approved by

the Board, in its sole discretion. Approval of the Consolidation by Shareholders does not necessarily mean that the Board will implement the Consolidation. Even if the Consolidation is approved by Shareholders at the Meeting, and accepted by the TSXV, the Board will have the discretion not to proceed with the Consolidation.

In connection with the Consolidation, each stock option or other security of the Company convertible into pre-Consolidation Common Shares that has not been exercised or cancelled prior to the effective date of the implementation of the Consolidation will be adjusted pursuant to the terms thereof. The outstanding options will be adjusted at the same Consolidation ratio.

As of the Record Date, a total 50,051,985 Common Shares in the capital of the Company were issued and outstanding. Accordingly, if the Consolidation is put into effect on the basis of the maximum authorized ratio of 50 pre-Consolidation Common Shares for every one post-Consolidation Common Share, a total of approximately 1,001,040 Common Shares in the capital of the Company would be issued and outstanding following the Consolidation, assuming no other changes to the issued capital.

Purpose of the Consolidation

The Board believes that the Consolidation should lead to increased interest by a wider audience of potential investors, resulting in a more efficient market for the Common Shares. There can be no assurances, however, that the market price of the Common Shares will increase as a result of the Consolidation.

Approval of the TSXV

Assuming Shareholder approval is received at the Meeting and assuming the Board determines to proceed with the Consolidation, the Consolidation will be subject to the approval of the TSXV.

Procedure

In the event the Consolidation is approved by the Shareholders, accepted by the TSXV, and implemented by the Board, the registered holders of Common Shares will be required to exchange the certificates representing their pre-Consolidation Common Shares for new certificates representing post-Consolidation Common Shares. Following the determination of the Consolidation ratio by the Board, and as soon as possible following the effective date of the Consolidation, the registered holders of Common Shares of the Company will be sent a transmittal letter by the Company's transfer agent, Computershare. The letter of transmittal will contain instructions on how to surrender Common Share certificate(s) representing pre-Consolidation Common Shares to the transfer agent. The transfer agent will forward to each registered shareholder who has sent the required documents a new Common Share certificate representing the number of post-Consolidation Common Shares to which the shareholder is entitled.

Shareholders will not have to pay a transfer or other fee in connection with the exchange of certificates. Shareholders should not submit certificates for exchange until required to do so. Until surrendered, each certificate formerly representing the Common Shares will be deemed for all purposes to represent the number of Common Shares to which the holder thereof is entitled as a result of the Consolidation.

Other Considerations

The Consolidation will not materially affect the percentage ownership in the Company by the shareholders even though such ownership will be represented by a lesser number of Common Shares. The Consolidation will proportionately reduce the number of Common Shares held by all Shareholders.

There can be no assurance that the market price of the post-Consolidation Common Shares will increase as a result of the Consolidation. There are numerous factors and contingencies that could affect the price of the Common Shares, including the status of the market for the Common Shares at the time, the Company's operations and general economic, stock market and industry conditions.

Accordingly, the total market capitalization of the Common Shares after the Consolidation may be lower than the total market capitalization before the Consolidation, and, in the future, the market price of the post-Consolidation Common Shares may not exceed or remain higher than the market price prior to the Consolidation. As a result, the marketability and trading liquidity of the post-Consolidation Common Shares of the Company may not improve. The Consolidation may result in some Shareholders owning "odd lots" of Common Shares which may be more difficult for such Shareholders to sell or which may require greater transaction costs per share to sell. 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 influenced by the Company's performance and other factors, which are unrelated to the number of Common Shares outstanding.

No fractional Common Shares will be issued pursuant to the Consolidation. Pursuant to Section 83 of the BCBCA, in the event that a Shareholder would otherwise be entitled to a fractional Common Share hereunder, the number of Common Shares issued to such Shareholder shall be rounded up to the next greater whole number of Common Shares, if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Common Shares if the fractional entitlement is less than 0.5.

Shareholder Approval

The Consolidation Resolution is a special resolution and, as such, must be approved by at least less two-thirds of votes cast by Shareholders present in person, or represented by proxy at the Meeting in accordance with the BCBCA.

The Board unanimously recommends that Shareholders vote in favour of the Consolidation Resolution, the text of which is as follows:

"BE IT RESOLVED, as a special resolution of shareholders of the Company, that:

1. the authorized share structure of the Company's may be altered by consolidating all of the issued and outstanding common shares of the Company on the basis to be selected by the Company's board of directors, in its absolute discretion, provided that the consolidation shall be no greater than 50 pre-consolidation common shares for every one post-consolidation common share;

2. any fractional common shares resulting from the consolidation of the common shares be converted to whole common shares pursuant to the provisions of Section 83 of the Business Corporation Act (British Columbia);

3. the board of directors of the Company is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the above resolution without further approval, ratification or confirmation from the shareholders; and

4. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all

declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to these resolutions."

Unless otherwise specified, the persons named in the enclosed Proxy will vote **FOR** the Consolidation Resolution.

The Board unanimously recommends that each Shareholder vote FOR the Consolidation Resolution. Common Shares represented by proxies in favour of the management nominees will be voted FOR the Consolidation Resolution, unless a Shareholder has specified in its Proxy that their Common Shares are to be voted against the Consolidation Resolution.

ADDITIONAL INFORMATION

Financial information is provided in the financial statements for the year ended September 30, 2018, report of the auditor and related management discussion and analysis filed on SEDAR at www.sedar.com and in the subsequent interim financial statements and related management discussion and analyses filed on SEDAR at www.sedar.com. The financial statements will be mailed to any Shareholder who completes the request card included with the Notice of Meeting and this Information Circular. The September 30, 2018, financial statements will be placed before the Meeting.

Additional information relating to the Company is filed on SEDAR at www.sedar.com and upon request from the Company by contacting Christina Boddy, Corporate Secretary, telephone number: (604) 318-0390 or fax number: (604) 484-7143. Copies of documents will be provided free of charge to security holders of the Company. The Company may require the payment of a reasonable charge from any person or company who is not a security older of the Company, who requests a copy of any such document.

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 have been approved by the Board.

DATED at Vancouver, British Columbia, September 12, 2019.

BY ORDER OF THE BOARD

"Giles Baynham"

Giles Baynham
President and Chief Executive Officer

Schedule A
AUDITOR REPORTING PACKAGE

(See Attached)

Notice of Change of Auditor
Pursuant to National Instrument 51-102

TO: **Ernst & Young LLP, Chartered Professional Accountants**

AND TO: **Davidson & Company LLP, Chartered Professional Accountants**

AND TO: TSX Venture Exchange
British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

September 7, 2018

Dear Sirs/Mesdames:

Re: Notice Regarding Change of Auditor Pursuant to National Instrument 51-102

Notice is hereby given, pursuant to section 4.11 of National Instrument 51-102 - Continuous Disclosure Obligations ("**NI 51-102**"), of a change of auditor of Fengro Industries Corp. (the "**Company**").

(1) At the request of the Company, Ernst & Young LLP, Chartered Professional Accountants (the "**Former Auditor**") has resigned as auditor of the Company effective September 7, 2018.

(2) The Company's Audit Committee has approved the Former Auditor's resignation and has recommended that Davidson & Company LLP, Chartered Professional Accountants (the "**New Auditor**") be appointed to fill the vacancy in the office of auditor created by the resignation of the Former Auditor until the next annual meeting of shareholders of the Company.

(3) The Board of Directors of the Company has approved the Former Auditor's resignation and the recommendation of the Audit Committee and has appointed the New Auditor as auditor of the Company to hold office until the next annual meeting of shareholders of the Company.

(4) There were no reservations in the Former Auditor's reports on the financial statements of the Company for: (a) the two most recently completed financial years; or (b) for any period subsequent thereto for which an audit report was issued and preceding the effective date of the resignation of the Former Auditor.

(5) In the opinion of the Audit Committee and the Board of Directors of the Company, there are no reportable events, as such term is defined in subparagraph 4.11(1) of NI 51-102.

FENGRO INDUSTRIES CORP.

Per:

Duane Lo
Chair of the Audit Committee

September 7, 2018

British Columbia Securities Commission
PO Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, BC
V7Y 1L2

TSX Venture Exchange
P.O. Box 11633
Suite 2700 – 650 West Georgia Street
Vancouver, BC
V6B 4N9

Ontario Securities Commission
20 Queen Street West, 19th Floor, Box 55
Toronto Ontario
M5H 3S8

Alberta Securities Commission
600, 250 – 5th Street S.W.
Calgary, AB
T2P 0R4

Dear Sirs / Mesdames:

Re: Fengro Industries Corp. (the "Company")
Notice Pursuant to NI 51-102 - Change of Auditor

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated September 7, 2018, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

Davidson & Company LLP

DAVIDSON & COMPANY LLP
Chartered Professional Accountants

cc: TSX Venture Exchange

Ernst & Young LLP
Pacific Centre
700 West Georgia Street
PO Box 10101
Vancouver, BC V7Y 1C7

Tel: +1 604 891 8200
Fax: +1 604 643 5422
ey.com

September 10, 2018

To: TSX Venture Exchange
British Columbia Securities Commission
Alberta Securities Commission
Ontario Securities Commission

Dear Sir or Madam:

Re: Fengro Industries
Notice of Change of Auditor dated September 7, 2018

Pursuant to National Instrument 51-102 (Part 4.11), we have read the above-noted Change of Auditor Notice and confirm our agreement with the information contained in the Notice pertaining to our firm.

Yours sincerely,

Ernst & Young LLP

Ernst & Young LLP
Chartered Professional Accountants

cc Board of Directors, Fengro Industries

Schedule B
AMENDED AND RESTATED 2015 STOCK OPTION PLAN

FENGRO INDUSTRIES CORP.
(FORMERLY DUSOLO FERTILIZERS INC.)

AMENDED AND RESTATED
2015 STOCK OPTION PLAN

Approved by the
Shareholders on April 30, 2018

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STOCK OPTION PLAN

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

As used herein, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the meanings set forth below:

(a) "Administrator" means, initially, the secretary of the Company and thereafter shall mean such director or other senior officer or employee of the Company as may be designated as Administrator by the Board from time to time;

(b) "Associate" has the meaning given to it in Policy 1.1 of the TSX-V Corporate Finance Manual;

(c) "Award Date" means the date on which the Board awards a particular Option;

(d) "Board" means the board of directors of the Company, or any committee thereof which the board of directors of the Company has delegated the power to administer and grant options under this Plan;

(e) "Cause" means:

(i) "Cause" as such term is defined in the written employment agreement, if any, between the Company and Employee; or

(ii) in the event there is no written employment agreement between the Company and the Employee or "Cause" in not defined in the written employment agreement between the Company and the Employee, the usual meaning of just cause under the common law or the laws of British Columbia;

(f) "Company" means Fengro Industries Corp.;

(g) "Consultant" has the meaning given to it in Policy 4.4 of the TSX-V Corporate Finance Manual;

(h) "Consultant Company" means, for an individual consultant, a company of which the individual consultant is an employee or shareholder;

(i) "consultant partnership" means, for an individual consultant, a partnership of which the individual consultant is an employee or partner;

(j) "Director" means any individual holding the office of director or senior officer of the Company or a subsidiary of the Company to whom stock options can be granted in reliance on a prospectus exemption under applicable Securities Laws;

(k) "Discounted Market Price" has the meaning given to it in Policy 1.1 of the TSX-V Corporate Finance Manual;

(l) "Disinterested Shareholder Approval" means that the proposal must be approved by a majority of the votes cast at the shareholders' meeting other than votes attaching to securities beneficially owned by Insiders and their Associates to whom shares may be issued pursuant to this Plan and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval;

(m) "Employee" means an individual who:

(i) is considered an employee under the Income Tax Act (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);

(ii) works full-time for the Company or a subsidiary of the Company providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or

(iii) works for the Company or a subsidiary of the Company on a continuing and regular basis for a minimum amount of time per month providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source;

(n) "Exercise Notice" means the notice respecting the exercise of an Option, in the form set out as Schedule "B" hereto, duly executed by the Option Holder;

(o) "Exercise Period" means the period during which a particular Option may be exercised and is the period from and including the Vesting Date through to and including the Expiry Date;

(p) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with paragraph 3.5;

(q) "Expiry Date" means the date determined in accordance with paragraph 3.3 and after which a particular Option cannot be exercised;

(r) "Insider" has the meaning given to it in the Securities Act (British Columbia);

(s) "Investor Relations Activities" has the meaning given to it in Policy 1.1 of the TSX-V Corporate Finance Manual;

(t) "Market Price" means the last closing price of the Company's Shares on the TSX-V before the issuance of the required news release disclosing the grant of an Option, subject to the exceptions provided for in Policy 1.1 of the TSX-V Corporate Finance Manual;

(u) "Option" means an option to acquire Shares, awarded to a Director, Employee or Consultant pursuant to the Plan;

(v) "Option Certificate" means the certificate, in the form set out as Schedule "A" hereto, evidencing an Option;

(w) "Option Holder" means a Director, Employee or Consultant or former Director, Employee or Consultant, who holds an unexercised and unexpired Option or, where applicable, the Personal Representative of such person;

(x) "Plan" means this stock option plan;

(y) "Personal Representative" means:

(i) in the case of a deceased Option Holder, the executor or administrator of the deceased duly appointed by a court or public authority having jurisdiction to do so; and

(ii) in the case of an Option Holder who for any reason is unable to manage his or her affairs, the person entitled by law to act on behalf of such Option Holder;

(z) "Regulatory Authorities" means all stock exchanges and other organized trading facilities on which the Company's Shares are listed and all securities commissions or similar securities regulatory bodies having jurisdiction over the Company;

(aa) "Securities Laws" means securities legislation, securities regulations and securities rules, as amended, and the policies, notices, instruments and orders in force from time to time that are applicable to the Company;

(bb) "Share" or "Shares" means, as the case may be, one or more common shares without par value in the capital stock of the Company;

(cc) "Termination Date" means:

(i) in the case of the resignation of the Option Holder as an Employee, Consultant, Director or Officer of the Company, the date that the Option Holder provides notice of his or her resignation to the Company; or

(ii) in the case of the termination of the Option Holder's employment or consultation agreement with the Company by the Company for any reason other than death, the date that the Company provides notice of termination of the Option Holder's employment or consulting agreement to the Option Holder; or

(iii) in the case of death of the Option Holder, the date of such death; (dd) "TSX-V" means the TSX Venture Exchange Inc; and

(ee) "Vesting Date" means the date that an Option is vested and may be exercised.

1.2 Choice of Law

The Plan is established under, and the provisions of the Plan shall be subject to and interpreted and construed in accordance with, the laws of the Province of British Columbia.

1.3 Headings

The headings used herein are for convenience only and are not to affect the interpretation of the Plan.

ARTICLE 2
PURPOSE AND PARTICIPATION

2.1 Purpose

The purpose of the Plan is to provide the Company with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants, to reward such of those Directors, Employees and Consultants as may be awarded Options under the Plan by the Board from time to time for their contributions toward the long term goals of the Company and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long term investments.

2.2 Participation

The Board shall, from time to time and in its sole discretion, determine those Directors, Employees and Consultants, if any, to whom Options are to be awarded. The Board may only grant options to an Employee or Consultant if such Employee or Consultant is a bona fide Employee or Consultant of the Company or a subsidiary of the Company. The Board may, in its sole discretion, grant the majority of the Options to insiders of the Company.

In no case will an Option Holder be granted an Option where the number of Shares that may be purchased pursuant to that Option exceed, when added to the number of Shares available for purchase pursuant to Options previously granted to the Option Holder which remain exercisable, 5% of the Company's issued and outstanding share capital in any 12 month period. In addition, in no case (a) will a Consultant be granted an Option where the number of Shares that may be purchased pursuant to that Option exceed, when added to the number of Shares available for purchase pursuant to Options previously granted to Consultants which remain exercisable, 2% of the Company's issued and outstanding share capital in any 12 month period; or (b) will a person employed in Investor Relations Activities be granted an Option where the number of Shares that may be purchased pursuant to that Option exceed, when added to the number of Shares available for purchase pursuant to Options previously granted to persons employed in Investor Relations Activities which remain exercisable, 2% of the Company's issued and outstanding share capital in any 12 month period.

2.3 Notification of Award

Following the approval by the Board of the awarding of an Option, the Administrator shall notify the Option Holder in writing of the award and shall enclose with such notice the Option Certificate representing the Option so awarded.

2.4 Copy of Plan

Each Option Holder, concurrently with the notice of the award of the Option, shall be provided with a copy of the Plan. A copy of any amendment to the Plan shall be promptly provided by the Administrator to each Option Holder.

2.5 Limitation

The Plan does not give any Option Holder that is a Director the right to serve or continue to serve as a Director of the Company, does not give any Option Holder that is an Employee the right to be or to continue to be employed by the Company and does not give any Option Holder that is a Consultant the right to be or to continue to be retained as a Consultant by the Company.

2.6 Disinterested Shareholder Approval.

Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Company's other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:

(a) the issuance to Insiders, within a one year period, of a number of Shares exceeding 10% of the outstanding Shares at the time of granting the options; or

(b) except in the case of a Tier 1 Issuer (or equivalent), the issuance to any one Insider and such Insider's Associates, within a one year period, of a number of Shares exceeding 5% of the outstanding Shares at the time of granting the options; or

(c) any reduction in the exercise price of options granted to any person who is an Insider at the time of the proposed reduction.

ARTICLE 3
TERMS AND CONDITIONS OF OPTIONS

3.1 Board to Issue Shares

The Shares to be issued to Option Holders upon the exercise of Options shall be authorized and unissued Shares the issuance of which shall have been authorized by the Board.

3.2 Number of Shares

Subject to adjustment as provided for in paragraph 3.8 of this Plan, the number of Shares which will be available for purchase pursuant to Options granted under this Plan will not exceed 10% of the issued and outstanding common shares of the Company at the Award Date. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of which the Option expired or terminated shall again be available for the purposes of the Plan.

3.3 Term of Option

Subject to paragraph 3.4, the Expiry Date of an Option shall be the earlier of (i) the date set out in paragraph 3.4 or (ii) the date so fixed by the Board at the time the particular Option is awarded, provided that such date shall be no later than the fifth anniversary of the Award Date of such Option or such later date as allowed by the policies of the TSX-V.

3.4 Termination of Option

Subject to such other terms or conditions that may be attached to Options granted hereunder, an Option Holder may exercise a vested Option in whole or in part at any time or from time to time during the Exercise Period. Any Option or part thereof, whether vested or unvested, not exercised within the Exercise Period shall terminate and become null, void and of no effect as of 4:30 p.m. local time in Vancouver, British Columbia on the Expiry Date. The Expiry Date of an Option shall be the earlier of the date so fixed by the Board at the time the Option is awarded and the date established, if applicable, in subparagraphs (a) to (c) below:

(a) Death of Option Holder

In the event that the Option Holder should die while he or she is still a Director (if he or she holds his or her Option as Director), an Employee (if he or she holds his or her Option as an Employee), or a Consultant (if he or she holds his or her Option as a Consultant), the Expiry Date shall be the first anniversary of the Option Holder's date of death.

(b) Ceasing to hold Office as Director

In the event that the Option Holder holds his or her Option as a Director of the Company and such Option Holder ceases to be a Director of the Company other than by reason of death, the Expiry Date of the Option shall be, unless otherwise provided for in the Option Certificate, the 90th day following the date the Option Holder ceases to be a Director of the Company which may be extended by the Board in its sole discretion up to one year, unless the Option Holder ceases to be a Director of the Company as a result of:

(i) ceasing to meet the qualifications for a director set forth in the governing corporate statute of the Company;

(ii) his or her removal as a director of the Company pursuant to the governing corporate statute of the Company;

(iii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to be a Director of the Company.

(c) Ceasing to be an Employee

In the event that the Option Holder holds his or her Option as an Employee of the Company and such Option Holder ceases to be an Employee of the Company other than by reason of death, the Expiry Date of the Option shall be, unless otherwise provided for in the Option Certificate, the 90th day following the date the Option Holder ceases to be an Employee of the Company unless the Option Holder ceases to be an Employee of the Company as a result of:

(i) termination for Cause; or

(ii) an order made by any Regulatory Authority having jurisdiction to so order;

in which case the Expiry Date shall be the date the Option Holder ceases to be an Employee of the Company.

(d) Ceasing to be a Consultant

In the event that the Option Holder holds his or her Option as a Consultant of the Company and such Option Holder ceases to be a Consultant of the Company other than by reason of death, unless otherwise provided in the Option Certificate, the Expiry Date of the Option shall be the 30th day following the Termination Date unless the Option Holder ceases to be a Consultant of the Company as a result of an order made by any

Regulatory Authority having jurisdiction to so order, in which case the Expiry Date shall be the Termination Date.

(e) Ceasing to perform Investor Relations activities

In the event that the Option Holder holds his or her Option in an Investor Relations capacity for the Company, the Expiry Date of the Option shall be the 30th day following the Termination Date unless the Option Holder ceases to perform those Investor Relations activities for the Company as a result of:

(i) termination for Cause; or

(ii) an order made by any Regulatory Authority having jurisdiction to so order; in which case the Expiry Date shall be the Termination Date.

Notwithstanding anything contained herein, in no case will an Option be exercisable later than the Expiry Date of such Option fixed by the Board at the time the Option is awarded to the Option Holder.

3.5 Exercise Price

The price at which an Option Holder may purchase a Share upon the exercise of an Option shall be as set forth in the Option Certificate issued in respect of such Option and in any event shall not be less than the Discounted Market Price of the Company's Shares as of the last market trading day immediately prior to the Award Date.

Notwithstanding anything else contained herein, in no case will the Discounted Market Price be less than the minimum prescribed by each of the organized trading facilities as would apply to the Award Date in question.

3.6 Additional Terms

Subject to all applicable Securities Laws of all applicable Regulatory Authorities, the Board may attach other terms and conditions to the grant of a particular Option, such terms and conditions to be referred to in a schedule attached to the Option Certificate. These terms and conditions may include, but are not necessarily limited to, the following:

(a) providing that an Option expires on a date other than as provided for herein;

(b) providing that a portion or portions of an Option vest after certain periods of time or upon the occurrence of certain events, or expire after certain periods of time or upon the occurrence of certain events;

(c) providing that an Option be exercisable immediately, in full, notwithstanding that it has vesting provisions, upon the occurrence of certain events, such as a friendly or hostile takeover bid for the Company; and

(d) providing that an Option issued to, held by or exercised by an Option Holder who is a citizen or resident of the United States of America, and otherwise meets the statutory requirements, be treated as an "Incentive Stock Option" as that term is defined for purposes of the United States of America Internal Revenue Code of 1986, as amended.

3.7 Assignment of Options

Options may not be assigned or transferred, provided however that the Personal Representative of an Option Holder may, to the extent permitted by paragraph 4.1, exercise the Option within the Exercise Period.

3.8 Adjustments

If prior to the complete exercise of an Option the Shares are consolidated, subdivided, converted, exchanged or reclassified or in any way substituted for (collectively the "Event"), an Option, to the extent that it has not been exercised, shall be adjusted by the Board in accordance with such Event in the manner the Board deems appropriate. No fractional shares shall be issued upon the exercise of the Options and accordingly, if as a result of the Event, an Option Holder would become entitled to a fractional share, such Option Holder shall have the right to purchase only the next lowest whole number of shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

3.9 Vesting

Vesting of Options shall be at the discretion of the Board and, with respect to any particular Option granted under the Plan, in the absence of a vesting schedule attached to the Option Certificate on the Award Date or stated otherwise in writing, all Options shall vest as follows:

(a) Options granted to non-management Directors and Employees, other than Employees engaged in Investor Relations Activities, will have a vesting period of two years, with 1/3 of the Options vesting on the Award Date, 1/3 of the Options vesting on the 12-month anniversary of the Award Date and the remaining 1/3 of the Options vesting on the 24-month anniversary of the Award Date;

(b) Options granted to senior officers and Consultants, other than Consultants engaged in Investor Relations Activities, will have a vesting period of three years, with ¼ of the Options vesting on the Award Date, ¼ of the Options vesting on the 12-month anniversary of the Award Date, ¼ of the Options vesting on the 24-month anniversary of the Award Date and the remaining ¼ of the Options vesting on the 36-month anniversary of the Award Date; and

(c) Notwithstanding subsections 3.9(a) and 3.9(b) above, Options granted to Employees or Consultants engaged in Investor Relations Activities will vest in stages over a minimum period of 12 months with no more than ¼ of the Options vesting in any three month period, and unless stated in writing otherwise, the Options granted to Employees or Consultants engaged in Investor Relations Activities will vest as to ¼ on the 3-month anniversary of the Award Date and ¼ on each of the 6, 9, and 12-month anniversaries of the Award Date, respectively, or such longer vesting periods as the Board may determine.

3.10 Resale Restrictions

In addition to any resale restrictions under applicable Securities laws, the Option and any Shares issued upon exercise of the Option will be subject to a hold period of four months from the Award Date of the Option in accordance with the requirements of the TSX-V Corporate Finance Manual. The Option, and the Shares, if applicable, will bear the following legend:

Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ***[insert expiry date of hold period]****.*

ARTICLE 4
EXERCISE OF OPTION

4.1 Exercise of Option

An Option may be exercised only by the Option Holder or the Personal Representative of the Option Holder. An Option Holder or the Personal Representative of an Option Holder may exercise a vested Option in whole or in part at any time or from time to time during the Exercise Period up to 4:30 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering to the Administrator an Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Company in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

4.2 Issue of Share Certificates

As soon as practicable following the receipt of the Exercise Notice, the Administrator shall cause to be delivered to the Option Holder a certificate for the Shares so purchased. If the number of Shares so purchased is less than the number of Shares subject to the Option Certificate surrendered, the Administrator shall forward a new Option Certificate to the Option Holder concurrently with delivery of the Share Certificate for the balance of Shares available under the Option.

4.3 Condition of Issue

The Options and the issue of Shares by the Company pursuant to the exercise of Options are subject to the terms and conditions of this Plan and compliance with the rules and policies of all applicable Regulatory Authorities to the granting of such Options and to the issuance and distribution of such Shares, and to all applicable Securities Laws. The Option Holder agrees to comply with all Securities Laws and agrees to furnish to the Company any information, reports or undertakings required to comply with, and to fully cooperate with, the Company in complying with such Securities Laws.

4.4 Tax Withholding.

The Company may withhold from any amount payable to an Option Holder, either under this Plan or otherwise, such amount as it reasonably believes is necessary to enable the Company to comply with the applicable requirements of any federal, provincial, local or foreign law, or any administrative policy of any applicable tax authority, relating to the withholding of tax or any other required deductions with respect to options ("Withholding Obligations"). The Company may also satisfy any liability for any such Withholding Obligations, on such terms and conditions as the Company may determine in its discretion, by:

(a) requiring an Option Holder, as a condition to the exercise of any options, to make such arrangements as the Company may require so that the Company can satisfy such Withholding Obligations including, without limitation, requiring the Option Holder to remit to the Company in advance, or reimburse the Company for, any such Withholding Obligations; or

(b) selling on the Option Holder's behalf, or requiring the Option Holder to sell, any Shares acquired by the Option Holder under the Plan, or retaining any amount which would otherwise be payable to the Option Holder in connection with any such sale.

ARTICLE 5
ADMINISTRATION

5.1 Administration

The Plan shall be administered by the Administrator on the instructions of the Board. The Board may make, amend and repeal at any time and from time to time such regulations not inconsistent with the Plan as it may deem necessary or advisable for the proper administration and operation of the Plan and such regulations shall form part of the Plan. The Board may delegate to the Administrator or any Director, senior officer or employee of the Company such administrative duties and powers as it may see fit.

5.2 Interpretation

The interpretation by the Board of any of the provisions of the Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Option Holder. No member of the Board or any person acting pursuant to authority delegated by it hereunder shall be liable for any action or determination in connection with the Plan made or taken in good faith and each member of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

ARTICLE 6
AMENDMENT AND TERMINATION

6.1 Prospective Amendment

Subject to all applicable Securities Laws of all applicable Regulatory Authorities, the Board may from time to time amend the Plan and the terms and conditions of any Option thereafter to be granted and, without limiting the generality of the foregoing, may make such amendment for the purpose of complying with any changes in any relevant law, rule or regulation applicable to the Plan, any Option or the Shares, or for any other purpose which may be permitted by all relevant laws, regulations, rules and policies.

6.2 Amendment to Exercise Price

In the event that the exercise price of an Option held by an Insider of the Company is to be reduced, disinterested Shareholder approval must be obtained.

6.3 Retrospective Amendment

Subject to all applicable Securities Laws of all applicable Regulatory Authorities, the Board may from time to time retrospectively amend the Plan, provided that any such amendment shall not alter the terms or conditions of any previously granted Options in a manner which would impair the rights of any Option Holder without the consent of any such Option Holder or any Options granted thereunder.

6.4 Approvals

This Plan and any amendments hereto are subject to all applicable Securities Laws of all applicable Regulatory Authorities and all necessary approvals of such Regulatory Authorities.

6.5 Termination

The Board may terminate the Plan at any time provided that such termination shall not alter the terms or conditions of any Option or impair any right of any Option Holder pursuant to any Option awarded prior to the date of such termination which shall continue to be governed by the provisions of the Plan.

6.6 Agreement

The Company and every Option awarded hereunder shall be bound by and subject to the terms and conditions of this Plan. By accepting an Option granted hereunder, the Option Holder has expressly agreed with the Company to be bound by the terms and conditions of this Plan.

WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIESOF THE TSX VENTURE EXCHANGE OR OTHERWISE IN CANADAOR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL _____.

FENGRO INDUSTRIES CORP.

Option Certificate under Stock Option Plan

This Certificate is issued pursuant to the provisions of the Fengro Industries Corp. (the "Company") Stock Option Plan (the "Plan") and evidences that _____ is the holder (the "Option Holder") of an option (the "Option") to purchase up to _____ common shares (the "Shares") in the capital stock of the Company at a purchase price of Cdn. $ ____ per Share. Subject to the provisions of the Plan:

(a) the Award Date of this Option is _____;

(b) the Expiry Date of this Option is _____; and

SELECT OPTION (C), (D) OR (E) BELOW

(c) the Options will vest as to 1/3 on the Award Date, 1/3 on the 12-month anniversary of the Award Date and the remaining 1/3 on the 24-month anniversary of the Award Date.

OR

(d) the Options will vest as to ¼ on the Award Date, ¼ on the 12-month anniversary of the Award Date, ¼ on the 24-month anniversary of the Award Date and the remaining ¼ on the 36-month anniversary of the Award Date.

OR

(e) the Options will vest as to ¼ on the 3-month anniversary of the Award Date and ¼ on each of the 6, 9 and 12-month anniversaries of the Award Date, respectively; or the Options are to vest on _____.

Vested Options may be exercised at any time and from time to time from and including the Award Date through to and including up to 4:30 local time in Vancouver, British Columbia on the Expiry Date by delivery to the Administrator of the Plan an Exercise Notice, in the form provided in the Plan, together with this Certificate and a certified cheque or bank draft payable to "Fengro Industries Corp." in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which this Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Company to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

This Option is also subject to the terms and conditions contained in the schedules, if any, attached hereto. The foregoing Option has been awarded this ____ day of _____, 20___.

[Signature page follows.]

FENGRO INDUSTRIES CORP.

Per:	
	Administrator, Fengro Industries Corp. Stock Option Plan

FENGRO INDUSTRIES CORP.
STOCK OPTION PLAN
NOTICE OF EXERCISE OF OPTION

TO: The Administrator, Stock Option Plan
FENGRO INDUSTRIES CORP.

The undersigned hereby irrevocably gives notice, pursuant to the Fengro Industries Corp. (the "Company") Stock Option Plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for (**cross out inapplicable item**):

(a) all of the Shares; or

(b) _____ of the Shares; which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft (circle one) payable to "Fengro Industries Corp." in an amount equal to the aggregate Exercise Price of the aforesaid shares and directs the Company to issue the certificate evidencing said shares in the name of the undersigned to be mailed to the undersigned at the following address:

_____
_____
_____
_____

DATED the ___ day of _____, 20____.

_____
Signature of Option Holder

Schedule C
AUDIT COMMITTEE CHARTER

Pursuant to National Instrument 52-110 – *Audit Committees*, the Company is required to include the following summary of the audit committee responsibilities, composition and authority.

Composition of the Audit Committee

Following the election of the directors pursuant to this Information Circular, it is intended that the following will be the members of the Audit Committee:

Duane Lo	Independent[(1)]	Financially literate[(2)]
Keith Carpenter	Independent[(1)]	Financially literate[(2)]
Peter Ruxton	Independent[(1)]	Financially literate[(2)]

(1) A member of an audit committee is independent if the member has no direct or indirect material relationship with the Company, which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

(2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The Company's Audit Committee is governed by an audit committee charter, the text of which follows:

Mandate: The primary function of the audit committee (the "**Committee**") is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements, review and appraise the performance of the Company's external auditor; and provide an open avenue of communication among the Company's auditor, financial and senior management and the Board of Directors.

Composition: The Committee shall be comprised of a minimum three directors as determined by the Board of Directors. If the Company ceases to be a "venture issuer" (as that term is defined in NI 52-110), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board of Directors, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a "venture issuer" then all members of the Committee shall also have accounting or related financial management expertise. For the purposes of the Company's Audit Committee Charter, the definition of "financially literate" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

Meetings: The Committee shall meet at least once annually, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditor.

Responsibilities and Duties: To fulfill its responsibilities and duties, the Committee shall:

1. Documents/Reports Review: review and update the Audit Committee Charter annually and review the Company's financial statements, management discussion and analysis and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor.

2. External Auditor:

    (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company;

    (b) obtain annually, a formal written statement of the external auditor setting forth all relationships between the external auditor and the Company and review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;

    (c) take, or recommend that the Board of Directors take, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;

    (d) recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval and to recommend to the Board of Directors the compensation to be paid to the external auditor;

    (e) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;

    (f) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;

    (g) review with management and the external auditor the audit plan for the year-end financial statements and review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:

        (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,

(ii) such services were not recognized by the Company at the time of the engagement to be non- audit services, and

(iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

3. Financial Reporting Processes:

(a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;

(b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;

(c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;

(d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;

(e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;

(f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;

(g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;

(h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;

(i) review certification process;

(j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

(k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

4. Other - review any related-party transactions, engage independent counsel and other advisors as it determines necessary to carry out its duties and to set and pay compensation for any independent counsel and other advisors employed by the Committee.

Schedule D
DIVISION 2 OF PART 8 OF THE BCBCA

Division 2 — Dissent Proceedings

Definitions and application

237 (1) In this Division:

"**dissenter**" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"**notice shares**" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"**payout value**" means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement,

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, or

(d) in the case of a dissent in respect of a community contribution company, the value of the notice shares set out in the regulations,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles

(i) to alter restrictions on the powers of the company or on the business the company is permitted to carry on, or

(ii) without limiting subparagraph (i), in the case of a community contribution company, to alter any of the company's community purposes within the meaning of section 51.91;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

(a) a written statement that the dissenter requires the company to purchase all of the notice shares,

(b) the certificates, if any, representing the notice shares, and

(c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

(a) be signed by the beneficial owner on whose behalf dissent is being exercised, and

(b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

(a) the dissenter is deemed to have sold to the company the notice shares, and

(b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those

notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

(a) promptly pay that amount to the dissenter, or

(b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

(a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,

(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.