

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult with your investment dealer, broker, bank manager, lawyer or other professional advisor.

SHANE RESOURCES LTD.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS TO BE HELD ON
JANUARY 30, 2020**

- AND -

MANAGEMENT INFORMATION CIRCULAR

SHANE RESOURCES LTD.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that the annual general and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of Shane Resources Ltd. (the “**Company**”) will be held at 207 - 120 Sonnenschein Way, Saskatoon, Saskatchewan, S7M 0W2 on January 30, 2020 at 10:00 a.m. (Saskatoon time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal years ended December 31, 2018 and December 31, 2017, and the report of the auditor thereon;
2. to elect directors of the Company for the ensuing year;
3. to re-appoint Davidson & Company as auditor of the Company for the ensuing year and to authorize the Board to fix the auditor’s remuneration;
4. to consider, and if deemed advisable, pass a special resolution authorizing and approving the consolidation of the issued and outstanding common shares in the capital of the Company (the “**Common Shares**”) on the basis of a consolidation ratio to be selected by the board of directors (the “**Board**”), within a range of one (1) post-consolidation Common Share for every two (2) pre-consolidation Common Shares issued and outstanding and one (1) post-consolidation Common Share for every forty (40) pre-consolidation Common Shares issued and outstanding, with the timing and exact ratio to be determined by the Board, in its sole discretion, effective for twenty-four (24) months from the date of such approval, as more particularly set forth in the accompanying management information circular dated December 30, 2019 (the “**Management Information Circular**”);
5. to consider, and if deemed advisable, pass a special resolution approving a change in the name of the Company from “Shane Resources Ltd.” to such other name as may be determined by the Board, in its sole discretion, effective for twenty-four (24) months from the date of such approval, as more particularly set forth in the accompanying Management Information Circular; and
6. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the foregoing matters to be put before the Meeting, as well as further information with respect to voting by proxy, are set forth in the Management Information Circular.

Shareholders who are unable to attend the Meeting in person and who wish to ensure that their Common Shares will be voted at the Meeting must complete, date and execute 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 Management Information Circular.

Unregistered shareholders who plan to attend the Meeting must follow the instructions set out in the voting instruction form and in the Management Information Circular 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.

DATED at Toronto, Ontario, December 30, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ “Binyomin Posen”

**Binyomin Posen
Chief Executive Officer, Chief Financial Officer and Director**

MANAGEMENT INFORMATION CIRCULAR

as at December 30, 2019

This Management Information Circular (the “Management Information Circular”) is furnished in connection with the solicitation of proxies by the management of Shane Resources Ltd. (the “Company”) for use at the annual general and special meeting (the “Meeting”) of its shareholders (the “Shareholders”) to be held on January 30, 2020 at the time and place and for the purposes set forth in the accompanying notice of the meeting (the “Notice of Meeting”).

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

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

The Company will not be sending proxy-related materials to registered holders or beneficial owners using notice-and-access.

Management of the Company does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary. In the case of an objecting beneficial owner, the objecting beneficial owner will not receive the materials unless the objecting beneficial owner’s intermediary assumes the cost of delivery.

Appointment of Proxyholders

The individuals named in the accompanying form of proxy (the “**Proxy**”) are directors or officers 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 the person 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 (and striking out the name now designated) or by completing and delivering another suitable form of proxy.** For instructions regarding the delivery of instruments of proxy, see below under the heading “Registered Shareholders”.

Voting by Proxyholders

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:

- (i) each matter or group of matters identified therein for which a choice is not specified,
- (ii) any amendment to or variation of any matter identified therein, and
- (iii) any other matter that properly comes before the Meeting.

In respect of a matter for which a choice is not specified in the Proxy, the persons named in the Proxy will vote the Common Shares represented by the Proxy FOR the approval of such matter. Management is not currently aware of any other matter that could come before the Meeting.

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 completing, dating and signing the enclosed Proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. ("**Computershare**") at 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 at 10:00 a.m. (Saskatoon Time) at least 48 hours (excluding Saturdays, Sundays, and holidays) prior to the time of the Meeting.

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).

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

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

If you are a Beneficial Shareholder:

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

The voting instruction form ("**VIF**") 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 on your behalf. Most brokers now 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 you at the Meeting. You have the right to appoint a person (who need not be a Shareholder), other than the persons designated in the VIF, to represent you at the Meeting. To exercise this right, you should insert the name of the desired representative 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. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting - the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker, you, or a person designated by you, may attend at the Meeting as proxyholder for your broker and vote your Common Shares in that capacity. If you wish to attend at the Meeting and indirectly vote your Common Shares as proxyholder for your broker, or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF

provided to you and return the same to your broker in accordance with the instructions provided by such broker, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend at the Meeting and vote your Common Shares.

Revocation of Proxies

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

- (i) executing a proxy bearing a later date or by executing an instrument or act in writing, either of the foregoing to be executed by the registered Shareholder or the registered Shareholder's authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Computershare at yanne.yu@computershare.com, 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.
- (ii) 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.

RECORD DATE AND QUORUM

The board of directors of the Company (the “**Board**”) has fixed the record date for the Meeting at the close of business on December 27, 2019 (the “**Record Date**”). Shareholders of the Company of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date.

The quorum for the Meeting is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued Common Shares entitled to be voted at the Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

The directors and officers of the Company have an interest in the resolutions concerning the election of directors. Otherwise, no director or senior officer of the Company or any associate of the foregoing has any substantial interest, direct or indirect, by way of beneficial ownership of shares or otherwise in the matters to be acted upon at the Meeting, except for any interest arising from the ownership of shares of the Company where the Shareholder will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Company.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The voting securities of the Company consist of Common Shares. The Company is authorized to issue an unlimited number of Common Shares without par value. As of the Record Date there were 112,160,910 Common Shares issued and outstanding, each carrying the right to one vote. The Company is also authorized to issue an unlimited number of preferred shares, of which none are outstanding.

Other than as disclosed below, as at the Effective Date, to the knowledge of the Company, and based on the Company's review of the records maintained by Computershare, electronic filings with System for Electronic Document Analysis and Retrieval (SEDAR) and insider reports filed with System for Electronic Disclosure by Insiders (SEDI), no person or company beneficially owns, or controls or directs, directly or indirectly, 10% or more of any class of voting securities of the Company, on a non-diluted basis.

Name	Aggregate Number of Common Shares	Percentage of Outstanding Common Shares
Loomac Management Ltd	60,000,000	53.49%

VOTES NECESSARY TO PASS RESOLUTIONS

To approve a motion proposed at the Meeting, a majority of greater than 50% of the votes cast will be required (an “ordinary resolution”) unless the motion requires a “special resolution” in which case a majority of 2/3 of the votes cast will be required.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar regulatory authority in each of Saskatchewan, Alberta and British Columbia are specifically incorporated by reference into, and form an integral part of, this Management Information Circular: the audited financial statements of the Company for the years ended December, 2018 and December, 2017, the report of the auditor thereon and related management discussion and analyses. Copies of documents incorporated herein by reference may be obtained by a shareholder upon request without charge from the Company. These documents are also available through the internet on SEDAR, which can be accessed at www.sedar.com.

CURRENCY

In this Management Information Circular, unless otherwise indicated, all references to “CAD\$” or “\$” refer to Canadian dollars.

STATEMENT OF CORPORATE GOVERNANCE

Corporate Governance

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* (“NI 58-101”), the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

Board of Directors

The Board is currently composed of three (3) directors: Binyomin Posen, Sendy Shorser, and Ross Mitgang.

NI 58-201 suggests that the board of directors of every reporting issuer should be constituted with a majority of individuals who qualify as “independent” directors, within the meaning set out under National Instrument 52-110 *Audit Committees* (“NI 52-110”), which provides that a director is independent if he or she has no direct or indirect “material relationship” with the company. “Material relationship” is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the current directors and proposed nominees, Binyomin Posen is a current executive officer and is therefore not considered to be “independent”. In assessing NI 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. The remaining directors, Sendy Shorser and Ross Mitgang, are considered to be independent directors since they are independent of management and free from any material relationship with the Company.

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

Directorships

Director	Issuer
Binyomin Posen	Added Capital Inc.; Agau Resources Inc.; Fairmont Resources Inc.; High Tide Inc.; Hinterland Metals Inc.; Jiminex Inc.; Pacific Iron Ore Corporation.; Prominex Resource Corp.; Shane Resources Ltd.; Sniper Resources Ltd.; The Hash Corporation; TransGlobe Internet and Teleco Ltd.
Sendy Shorser	None.
Ross Mitgang	None.

Orientation and Continuing Education

Each new director is given an outline of the nature of the Company’s business, its corporate strategy, and current issues within the Company. New directors are also required to meet with management of the Company to discuss and better understand the Company’s business and are given the opportunity to meet with counsel to the Company to discuss their legal obligations as directors of the Company.

In addition, management of the Company takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Company as a whole. The Company continually reviews the latest securities rules and policies. Any such changes or new requirements are then brought to the attention of the Company’s directors either

Ethical Business Conduct

The Board promotes ethical business conduct through the nomination of board members it considers ethical. The Board has also established a “whistleblower” policy which details complaint procedure for financial concern. In addition, as the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the SBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

Nomination of Directors

The Company’s management is continually in contact with individuals involved in the mineral exploration industry and public sector resource issuers. From these sources the Company has made numerous contacts and in the event that the Company were in a position to nominate any new directors, such individuals would be brought to the attention of

the board of directors. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

Compensation

The Board has the responsibility for determining the compensation of the CEO and does so with reference to industry standards and the Company's financial situation. The Board has the responsibility for determining the compensation of the directors who currently are not compensated in their capacity as directors but do receive stock options.

Other Board Committees

The Company does not have any committees other than an Audit Committee.

Assessments

The Board works closely with management and, accordingly, are in a position to assess individual director's performance on an ongoing basis.

AUDIT COMMITTEE

Pursuant to the provisions of Section 165 of the SBCA and further pursuant to the provisions of NI 52-110, the Company is required to have an Audit Committee comprised of at least three directors, the majority of whom must not be officers or employees of the Company.

The Company must also, pursuant to the provisions of 52-110, have a written charter which sets out the duties and responsibilities of its audit committee. A copy of the Company's Audit Committee Charter is attached as Schedule "A".

Composition of the Audit Committee

For the purposes of the following, the terms "Independent" and "Financially Literate" have the meaning ascribed to them in NI 52-110. The following are the members of the Audit Committee:

- a) Binyomin Posen, Not Independent, Financially Literate;
- b) Sendy Shorser, Independent, Financially Literate; and
- c) Ross Mitgang, Independent, Financially Literate.

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

1. Binyomin Posen – Mr. Posen is a Senior Analyst at Plaza Capital Limited, where he focuses on corporate finance, capital markets and helping companies to go public.
2. Sendy Shorser – Mr. Shorser is President of Auxilium Financial Services.
3. Ross Mitgang – Mr. Mitgang is an accountant at Plaza Capital Limited.

Audit Committee Oversight

At no time since the commencement of the Company's fiscal year ended December, 2018 was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

The Company, as a venture issuer, is relying on the exemption provided in section 6.1 of NI 52-110, which provides that a venture issuer is not required to comply with Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

External Auditor Service Fees

Aggregate fees paid to the Auditor during the fiscal periods indicated were as follows:

	Fiscal year ended December 31, 2018	Fiscal year ended December 31, 2017
Audit Fees	\$6,250	\$6,250
Audit-related Fees ⁽¹⁾	Nil	Nil
Tax Fees ⁽²⁾	Nil	Nil
All Other Fees ⁽³⁾	Nil	Nil
Total	\$6,250	\$6,250

Notes:

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other row, including fees related to the review of Company's Management Discussion & Analyses.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation and Discussion Analysis

Objectives of the Compensation Program

The Board is responsible for setting the overall compensation strategy of the Company and administering the Company's executive compensation program. The Board approves the appointment and remuneration of the Company's executive officers, including the Named Executive Officers (as defined on page 9 of this Management Information Circular and hereinafter referred to as "NEOs") identified in the Summary Compensation Table. The Board is also responsible for reviewing the Company's compensation policies and guidelines generally.

The objective of the executive compensation program is to engage senior management by motivating and rewarding corporate, individual or shareholder success. It is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Company. The Company believes that a competitive, goal-oriented compensation policy is critically important to the creation of value for stockholders.

To that end, the Company has created a compensation program intended to reward performance. The goals of the compensation program are to align compensation with the successful accomplishment of business objectives and performance to enable us to attract and retain high quality executive officers and other key employees, reward them for the Company's progress and motivate them to enhance long-term stockholder value. The compensation program is intended to implement the following principles:

- Compensation should be related to the value created for shareholders.
- The Compensation program should be tied to short-term and long-term strategic goals and the Company's corporate objectives.

- The Compensation program should reflect and promote the Company's values and reward individuals for contributions to the Company's success.
- The Company's compensation program should be designed to attract and retain well-qualified executives.

In evaluating performance, the Board gives consideration to the Company's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements. In addition, the Board will receive and review recommendations of the Chief Executive Officer ("CEO") relating to the general compensation structure and policies and programs for the Company and the salary and benefit levels for the executive officers.

Risk Considerations

The Board monitors the most significant risks facing the Company, including strategic, operational and reputational risks, which build upon management's risk assessment and mitigation processes. Specifically, the Board monitors the risks associated with the Company's compensation programs and practices, including the retention of key senior management personnel. The Board reviews from time to time the risk implications of the Company's compensation programs, including specifically compensation risks as they relate to the Company's strategic plans, desired performance measures, overall corporate performance and risk management principles generally. The Board believes that the Company's compensation policies do not create an environment where an executive or any individual is encouraged to take excessive risk, and that the compensation offered by the Company rewards prudent business judgment and appropriate risk taking over the short and long term, without creating risk that is reasonably likely to have a material adverse impact on the Company.

Anti-Hedging

The Company's policies prohibit directors and officers of the Company from purchasing any financial instrument that is designed to hedge or offset any decrease in the market value of the Company's Common Shares.

Elements of Compensation

The executive compensation program is comprised of two principal components: base salaries and a stock option plan which are designed to provide a combination of cash and equity-based compensation to effectively retain and motivate the executive officers to achieve the corporate goals and objectives. Each component of the executive compensation program is described below.

Base Salaries

The base compensation of the Named Executive Officers was previously established at the time the Company offered employment to the said Named Executive Officers. The Board reviews on a regular basis the base compensation of the NEOs. NEOs are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The Company's approach to base salary compensation is to offer salaries which are targeted at the competitive median for similar Canadian focused junior mining exploration companies to attract and retain high quality individuals. In recent years, due to the Company's cash position the NEOs have received lower than average compensation.

For the purpose of establishing these levels, the Board reviews competitive market data, including salaries for comparable positions in other public Canadian junior mining exploration companies. Salaries of the NEOs are not determined based on benchmarks or a specific formula. The Board determines the salary of the CEO. The Board then considers the salaries recommended by the CEO for the other executive officers of the Company. Based upon its reviews of industry data and the state of the Company, the Board determined that the base salaries of the NEOs were appropriate. The Board reviews the salaries of the CEO and other executive officers annually. Salaries may be increased based upon the individual's performance and contribution or increases in median competitive pay levels.

Stock Option Plan

The Company has adopted a stock option plan (the "**Option Plan**") pursuant to which Options may be granted to directors, officers, employees and consultants of the Company. The Option Plan is designed, through the grant of Options, to reward key individuals in relation to the share price of the Company. The Option Plan is an integral component of the Company's total compensation program in terms of attracting and retaining key employees and enhances shareholder value by aligning the interests of executives and employees with the growth and profitability of

the Company. The longer-term focus of the Option Plan complements and balances the short-term elements of the compensation program of the Company.

Pursuant to the Option Plan, the Board may grant, from time to time, to directors, officers, employees and consultants of the Company, Options. In determining the number of Options to be granted to the executive officers, the Board considers the amount, terms and vesting levels of existing Options held by the officers and also the number of Options remaining available for grant by the Company in the future to attract and retain qualified technical and administrative staff. Generally, the number of Options granted to any optionee is a function of the level of authority and responsibility of the optionee, the contribution that has been made by the optionee to the business and affairs of the Company, the number of Options that have already been granted to the optionee and such other factors as the Board may consider relevant.

The Company's shareholders re-approved the Company's Option Plan on January 31, 2014. Under the Option Plan, the Board may, from time to time, grant options to purchase Common Shares ("**Options**") to certain directors, officers, employees and consultants of the Company. The Option Plan is administered by the Board, or if appointed, by a special committee of directors appointed from time to time by the board of directors (the "**Committee**"). The aggregate number of Common Shares which may be reserved for issuance under the Option Plan shall not exceed 10% of the Company's issued and outstanding Common Shares from time to time. The number of Common Shares subject to an Option to a participant shall be determined by the Committee, but no participant shall be granted an Option which exceeds the maximum number of shares permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The exercise price of the Common Shares covered by each Option shall be determined by the Board or Committee, provided however, that the exercise price shall not be less than the price permitted by any stock exchange on which the Common Shares are then listed, or other regulatory body having jurisdiction. The maximum length of any option shall be ten (10) years from the date the Option is granted, provided that such participant's Options shall expire on date that is the later of ninety (90) days after a participant ceases to act for the Company, subject to extension at the discretion of the board of directors, except upon the death of a participant, in which case the participant's estate shall have twelve (12) months in which to exercise the outstanding Options.

Compensation Governance

The Company's compensation policies are designed to attract and retain key members of the Company's management team. The Company is committed to a compensation policy that rewards and retains individuals of exceptional skill while encouraging those individuals to put forth maximum effort for the success of the Company. The compensation policy further attempts to focus management of the Company on operating and financial performance and long-term shareholder return.

Executive Officers of the Company

The following table contains information about the compensation paid to, or earned by, those who were, at December 31, 2018 and December 31, 2017 the NEOs:

- a) the Company's chief executive officer (or an individual who acted in a similar capacity);
- b) the Company's chief financial officer (or an individual who acted in a similar capacity); and
- c) the next most highly compensated executive officer (or next most highly compensated individual acting in a similar capacity), other than the CEO and CFO, whose compensation was more than \$150,000 during the year ended December 31, 2018 and December 31, 2017.

The NEOs of the Company for the purposes of this Management Information Circular are Kyle Kozuska and Lorilee Kozuska. The Company does not have any pension plans or incentive plans (whether equity or non-equity based) other than the Company's Option Plan, as described above in this Management Information Circular.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)

		commission (\$)					
Kyle Kozuska ⁽¹⁾ <i>Former CEO</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Lorilee Kozuska ⁽²⁾ <i>Former CFO and Former Corporate Secretary</i>	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Kyle Kozuska resigned as Director, and CEO on December 12th, 2019.
2. Lorilee Kozuska resigned as CFO on December 12th, 2019.

Stock Options and Other Compensation Securities

There were no compensation securities granted or issued to any NEO by the Company during the financial years ended December 31, 2018 and December 31, 2017 for services provided or to be provided, directly or indirectly, to the Company.

Exercise of Compensation Securities by Named Executive Officers

There were no options exercised by a NEO during the financial years ended December 31, 2018 and December 31, 2017.

Termination and Change of Control Benefits

The Company was not a party to any contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a NEO's responsibilities during the financial year ended December 31, 2018 or December 31, 2017.

Compensation of Directors*Individual Director Compensation*

The following table provides a summary of all compensation provided to the directors of the Company during the financial years ended December 31, 2018 and 2017.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation ⁽¹⁾ (\$)	Total compensation (\$)
Kyle Kozuska ⁽¹⁾ (Former director)	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Michael Der ⁽¹⁾ (Former director)	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Gregory Birch ⁽¹⁾ (Former director)	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

1. Kyle Kozuska, Michael Der, and Gregory Birch resigned on December 12, 2019.

Stock Options and Other Compensation Securities

There were no compensation securities granted or issued to any director by the Company during the financial years ended December 31, 2018 and December 31, 2017 for services provided or to be provided, directly or indirectly, to the Company.

Exercise of Compensation Securities by Directors

There were no options exercised by a director during the financial years ended December 31, 2018 and December 31, 2017.

Termination and Change of Control Benefits and Management Contracts

There are no contracts, agreements, plans or arrangements that provide for payments to a director at, following or in connection with respect to change of control of the Company, or severance, termination or constructive dismissal of or a change in a director's responsibilities.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 30, 2019 with respect to compensation plans pursuant to which equity securities of the Company are authorized for issuance, the Option Plan being the sole such compensation plan of the Company.

Plan category	Number of Common Shares to be issued upon exercise of outstanding Options (a)	Weighted average exercise price of outstanding Options (b)	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	0	N/A	2,649,075 ⁽¹⁾
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	0	N/A	2,649,075

(1) On the basis of a maximum number of shares reserved of 26,490,750 as at December 30, 2019.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company are indebted to the Company as of the Effective Date or were indebted to the Company at any time during the fiscal year ended December 31, 2018.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Management of the Company is not aware of any material interest, direct or indirect, of any informed person of the Company, or any associate or affiliate of any such informed person, in any transaction since the commencement of the Company's fiscal year ended December 31, 2018 or in any proposed transaction, that has materially affected or would materially affect the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements

The audited financial statements of the Company for the years ended December 31, 2018 and 2017 and the report of the auditors thereon will be received at the Meeting. No vote will be taken on the financial statements. The audited financial statements of the Company and the report of the auditors have been provided to each Shareholder entitled to receive a copy of the Notice of Meeting and this Management Information Circular and who requested a copy of the audited financial statements and the report of the auditors thereon. The financial statements are also available on SEDAR at www.sedar.com.

2. Election of Directors

The term of office of each of the current directors will end at the conclusion of the Meeting. At the meeting, three directors will be proposed to be elected to hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed, unless his or her office is earlier vacated according to the provisions of the by-laws of the Company or the *Business Corporations Act* (Saskatchewan).

The Board is currently composed of Binyomin Posen, Sindy Shorser, and Ross Mitgang.

The following table sets out the names of management's nominees for election as directors, each nominee's province and country of residence, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment for the five preceding years for new director nominees, 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 date of this Management Information Circular.

Name of Nominee, Current Position with the Company, and Province/State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Director Since	Number of Voting Securities ⁽²⁾
Binyomin Posen ⁽³⁾ <i>Director, CEO, and CFO</i> <i>(Ontario, Canada)</i>	Mr. Posen is a Senior Analyst at Plaza Capital Limited, where he focuses on corporate finance, capital markets and helping companies to go public. After three and a half years of studies overseas, he returned to complete his baccalaureate degree in Toronto. Upon graduating (on the Dean's List) he began his career as an analyst at a Toronto boutique investment bank where his role consisted of raising funds for IPOs and RTOs, business development for portfolio companies and client relations. He is currently director and senior officer at Agau Resources Inc. and director of Senternet Phi Gamma Inc and director at High Tide Inc.	December 12, 2019	NIL

Name of Nominee, Current Position with the Company, and Province/State and Country of Residence	Occupation, Business or Employment ⁽¹⁾	Director Since	Number of Voting Securities ⁽²⁾
Ross Mitgang ⁽³⁾ <i>Director</i> (Ontario, Canada)	Mr. Mitgang is an accounting student at York University currently holding a BA from CUNY-Queens College in History. In his young career thus far, Mr. Mitgang has worked as an operations manager for a non-profit company, as an admin in the fintech world and has held several junior accounting positions. He is currently working at Plaza Capital heading up the accounting and operations departments. He is also on the board of directors of Psychedelitech Inc., a private corporation.	December 12, 2019	NIL
Sedy Shorser ⁽³⁾ <i>Director</i> (Ontario, Canada)	Mr. Shorser is CA, CPA and a founder and principal at Auxilium Financial Services, a boutique outsourced accounting and finance department firm. Auxilium works with entrepreneurs, private equity firms and investor groups with a focus on financial reporting and compliance. After completing a Masters of Management and Professional Accounting, Sedy worked at KPMG and a small public accounting firm gaining important and relevant accounting experience. Sedy currently holds a board position on a number of NPO's in Canada.	December 12, 2019	NIL

Notes:

1. Information furnished by the respective director nominees.
2. Voting securities of the Company beneficially owned, or controlled or directed, directly or indirectly as of the date of this Management Information Circular. Information regarding voting securities held does not include voting securities issuable upon the exercise of options, warrants or other convertible securities of the Company. Information in the table above is derived from the Company's review of insider reports filed with System for Electronic Disclosure by Insiders (SEDI) and from information furnished by the respective director nominees.
3. Member of the Audit Committee for the upcoming fiscal year.

Details of the committees of the Board are provided under the heading "Statement of Corporate Governance".

Management does not contemplate that any of the nominees will be unable to serve as a director. However, if a nominee should be unable to so serve for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion. **Shares represented by proxies in favour of the management nominees will be voted in favour of the election of the above nominees as directors of the Company, unless a Shareholder has specified in his proxy that his shares are to be withheld from voting on election of such nominees.**

Orders, Penalties and Bankruptcies

To the knowledge of the Company, as of the Effective Date, no nominee:

- (a) is, or has been, within 10 years before the Effective Date, a director, chief executive officer or chief financial officer of any company (including the Company) that:
 - i) 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;
- (b) is, or has been, within 10 years before the Effective Date, a director or executive officer of any company (including the Company) that, while such nominee was acting in that capacity, or within a year of such nominee 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; or
- (c) has, within 10 years before the Effective Date, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such nominee.

For the purposes of the above section, the term “order” means:

- (a) a cease trade order, including a management cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

that was in effect for a period of more than 30 consecutive days.

To the knowledge of the Company, as of the Effective Date, no nominee has been subject to:

- (a) 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, other than penalties for late filing of insider reports (if any); or
- (b) any other penalties or sanctions imposed by a court or regulatory body.

3. Appointment of Auditor

The directors propose to nominate Davidson & Company, the present auditors, as the auditors of the Company to hold office until the close of the next annual meeting of Shareholders.

In the past, the directors have negotiated with the auditors of the Company on an arm’s length basis in determining the fees to be paid to the auditors. Such fees have been, and will continue to be, based on the complexity of the matters in question and the time incurred by the auditors. The directors believe that the fees negotiated in the past with the auditors of the Company were reasonable and, in the circumstances, would be comparable to fees charged by other auditors providing similar services.

In order to appoint Davidson & Company as auditors of the Company to hold office until the close of the next annual meeting, and authorize the directors to fix the remuneration thereof, a majority of the votes cast at the Meeting must be voted in favour thereof.

Shares represented by proxies in favour of the management nominees will be voted in favour 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 his proxy that his shares are to be withheld from voting on the appointment of auditor.

4. Approval of Share Consolidation

Management proposes that the Shareholders approve a special resolution providing for the consolidation (the “**Consolidation**”) of the Company’s issued and outstanding Common Shares, on the basis of a consolidation ratio to be selected by the Board in its sole discretion, within a range of between two pre-Consolidation Common Shares for one (1) post-Consolidation Common Share and forty (40) pre-Consolidation Common Shares for one (1) post-Consolidation Common Share. Such determination will be subject to completion of the Consolidation within 24 months of the date of such approval. All outstanding options and any other securities granting rights to acquire Common Shares of the Company will be affected by the Consolidation in accordance with the adjustment provisions contained in the instruments giving rise to the issuance of such securities. Management would like the consent of the Shareholders to not proceed with the Consolidation in the event that the special resolution is passed by the Shareholders at the Meeting and management subsequently concludes that it would not be in the best interests of the Company to proceed with the Consolidation. In the event the Board does proceed, the Board will set a record date for the Consolidation and announce details of the consolidation process by way of press release.

Effect on Common Shares

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

Effect on Convertible Securities

The exercise or conversion price and/or the number of Common Shares issuable under any outstanding convertible securities, including under outstanding stock options, warrants, rights and any other similar securities will be proportionately adjusted upon the implementation of the Consolidation, in accordance with the terms of such securities, on the same basis as the consolidation of the Common Shares.

Fractional Common Shares

In the event that the Consolidation would otherwise result in the issuance to any Shareholder of a fractional post-Consolidation Common Share, no fractional post-Consolidation Common Shares shall be issued and the number of post-Consolidation Common Shares issuable to such Shareholder shall be rounded down to the next lower whole number. Except for any change resulting from the rounding described above, the change in the number of Common Shares outstanding that would result from the Consolidation will cause no change in the stated capital attributable to the Common Shares.

Certain Risks Associated with the Consolidation

There can be no assurance that the total market capitalization of the Company (the aggregate value of all Common Shares at the market price then in effect) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation.

Notice of Consolidation and Letter of Transmittal

A letter of transmittal will be sent by Computershare to each Shareholder if and when the Consolidation is effected. The letter of transmittal will contain instructions on how to surrender Common Share certificate(s) representing pre-Consolidation Common Shares to Computershare should a Consolidation be approved at the Meeting and implemented by the Board.

The text of the special resolution to be voted on at the Meeting (the “**Consolidation Resolution**”) by the Shareholders is set forth below.

“BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION:

1. the board of directors of the Company (the “**Board**”) is hereby authorized to take such actions as are necessary to consolidate (the “**Consolidation**”) all of the issued and outstanding common shares in the capital of the Company (the “**Common Shares**”) on the basis of a consolidation ratio (the “**Consolidation Ratio**”) to be selected by the Board within a range of one (1) post-Consolidation Common Share for every two (2) to forty (40) pre-Consolidation Common Shares issued and outstanding, with the timing and exact ratio of the Consolidation to be determined by the Board at a later date. Such determination will be subject to completion of the Consolidation within 24 months of the date of this special resolution;
2. in the event that the Consolidation Ratio would otherwise result in the issuance to any shareholder of a fractional post-Consolidation Common Share, no fractional post-Consolidation Common Shares shall be issued and the number of post-Consolidation Common Shares issuable to such shareholder shall be rounded down to the next lower whole number;
3. the Board, in its sole discretion, may act upon this resolution to effect the Consolidation, or, if deemed appropriate and without any further approval from the shareholders of the Company, may choose not to act upon this special resolution notwithstanding shareholder approval of the Consolidation, and it is authorized to revoke this special resolution in its sole discretion at any time prior to effecting the Consolidation;
4. any officer or director of the Company is authorized to cancel (or cause to be cancelled) any certificates evidencing the existing Common Shares and to issue (or cause to be issued) certificates representing the new Common Shares to the holders thereof; and
5. any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver all such documents and to do all such other acts and things as he or she may determine to be necessary or advisable to give effect to this special resolution, including, without limitation, articles of amendment in the form required pursuant to the *Business Corporations Act* (Saskatchewan), the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

Unless otherwise directed, it is the intention of the management nominees to vote proxies in favour of the Consolidation Resolution. In order to be effective, the Consolidation Resolution requires approval of not less than two thirds (2/3) of the votes cast by Shareholders who vote in respect of such special resolution.

5. Approval of Name Change

As part of the Company’s 2020-2021 business plan, management has determined that a key strategic objective for the year may be to rebrand the Company, which, if undertaken, is expected to be undertaken in connection with an entry into new product lines or a possible strategic acquisition or merger. Part of this rebranding is expected to include a change of the Company’s name.

Because the Company is a Saskatchewan corporation governed by the *Business Corporations Act* (Saskatchewan), the Company must obtain Shareholder approval, by way of a special resolution, for an amendment to the Company’s articles in order to change the name of the Company. This approval may only be obtained at a meeting of the Shareholders, which requires substantial management time to prepare for, as well as significant expense due to the various costs of preparing, printing and delivering meeting materials that the Company, as a reporting issuer, is required to pay.

After considering the foregoing, management and the Board have agreed that although a new name has not yet been approved by the Board as at the date of this Management Information Circular, it is in the best interest of the Company to seek approval from the Shareholders to approve a change of name of the Company to any name that the Board deems appropriate, in its sole discretion, in order to enable the Company to proceed expeditiously with the change of name once a new name has been decided upon and to avoid the expense of holding a second Shareholders meeting.

As such, at the Meeting, Shareholders will be asked to approve the following special resolution (the “**Name Change Resolution**”), which must be approved by not less than two-thirds of the votes cast by Shareholders present in person or represented by proxy at the Meeting who vote in respect of the Name Change Resolution:

“BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION:

1. subject to the acceptance of any applicable regulatory authorities, the name of the Company be changed to any name that the board of directors of the Company (the “**Board**”), in its sole discretion, deems appropriate, with the exact timing and new name to be determined by the Board at a later date. Such determination will be subject to completion of the name change within 24 months of the date of this special resolution;
2. notwithstanding that this resolution has been passed by the Shareholders, the Board be and is hereby authorized and empowered, without further notice to, or approval of, the Shareholders, to determine not to proceed with the change of name at any time prior to the filing of the articles of amendment giving effect to the change of name, and the Board may, in its sole discretion, revoke this resolution before it is acted upon, without further approval or authorization of the Shareholders;
3. upon articles of amendment giving effect to the change of name having become effective in accordance with the *Business Corporations Act* (Saskatchewan), the articles of the Company be amended accordingly; and
4. any one officer and director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual’s discretion for the purpose of giving effect to this special resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

Unless otherwise directed, it is the intention of the management nominees to vote proxies in favour of the Name Change Resolution. In order to be effective, the Name Change Resolution requires approval of not less than two thirds (2/3) of the votes cast by Shareholders who vote in respect of such special resolution.

INDICATION OF OFFICER AND DIRECTORS

All of the directors and executive officers of the Company have indicated that they intend to vote their Common Shares in favour of each of the above resolutions. In addition, unless authority to do so is indicated otherwise, the persons named in the enclosed form of proxy intend to vote the Common Shares represented by such proxies in favour of each of the above resolutions.

ADDITIONAL INFORMATION

Additional information relating to the Company is on SEDAR at www.sedar.com. Shareholders may contact the CEO of the Company at bposen@plazacapital.ca to request copies without charge of the Company's financial statements and MD&A.

Financial information is provided in the Company's comparative financial statements and MD&A for the fiscal years ended December 31, 2018 and 2017 which are filed on SEDAR.

OTHER MATTERS

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

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

DATED at Toronto, Ontario, on December 30, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Binyomin Posen"

Binyomin Posen
Chief Executive Officer, Chief Financial Officer and Director

SCHEDULE “A” AUDIT COMMITTEE CHARTER

Mandate

The company is relying on the exemption contained in Part 6.1 of National Instrument 52-110. The primary function of the audit committee (the “**Audit Committee**”) is to assist the Board 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. Consistent with this function, the Audit Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Audit 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 systems and review the Company’s financial statements;
- review and appraise the performance of the Company’s external auditors; and
- provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board.

Composition

The Audit Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would reasonably interfere with the exercise of his or her independent judgment as a member of the Audit Committee. At least one member of the Audit Committee shall have accounting or related financial management expertise. All members of the Audit Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee’s 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 presumably be expected to be raised by the Company’s financial statements. The members of the Audit Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting.

Meetings

The Audit Committee shall meet at least four times annually, or more frequently if circumstances dictate. The Committee also discusses items by telephone and signs resolutions in lieu of meetings, as circumstances dictate. As part of its job to foster open communication, the Audit Committee will meet at least annually with the CEO and the external auditors in separate sessions.

Responsibilities and Duties

To fulfil its responsibilities and duties, the Audit Committee shall:

Documents/Reports Review

- (a) Review and update this Charter annually
- (b) Review the Company’s financial statements, MD&A 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 auditors.

- (c) Confirm that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements.

External Auditors

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Audit Committee as representatives of the shareholders of the Company.
- (b) Obtain annually, a formal written statement of the external auditors setting forth all relationships between the external auditors and the Company, consistent with the Independence Standards Board Standard 1.
- (c) Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- (d) Take, or recommend that the full Board of Directors, take appropriate action to oversee the independence of the external auditors.
- (e) Recommend to the Board of Directors the selection and compensation and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (f) At each meeting, consult with the external auditors, 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.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- (h) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (i) 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 auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:
 - a. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - b. such services were not recognized by the Company at the time of the engagement to be non-audit services; and

- c. such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Audit Committee or by one or more members of the Audit Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Audit Committee. Provided the pre-approval of the non-audit services is presented to the Audit Committee's first scheduled meeting following such approval, such authority may be delegated by the Audit Committee to one or more independent members of the Audit Committee

Financial Reporting Processes

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' 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 auditors and management.
- (d) Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- (e) Following completion of the annual audit, review separately with management and the external auditors 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 auditors in connection with the preparation of the financial statements.
- (g) Review with the external auditors 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 confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

Other

Review any related-party transactions.

ADDENDUM "A" TO THE AUDIT COMMITTEE CHARTER WHISTLE BLOWER POLICY

Introduction

Shane Resources Ltd. (“**Shane Resources**” or the “**Company**”) is committed to the highest standards of openness, honesty and accountability. In line with that commitment, we expect employees and others that we deal with who have serious concerns about any aspect of the Company’s activities and operations to come forward and voice those concerns.

Employees are often the first to realize that there may be something seriously wrong within a Company. However, they may decide not to express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Company. They may also fear recrimination, harassment or victimization. In these circumstances, they may feel it would be easier to ignore the concern rather than report what may just be a suspicion of wrong-doing.

This policy document makes it clear that employees can report wrong-doings or suspected wrong-doings without fear of victimization, subsequent discrimination or disadvantage. This Whistle Blowing Policy is intended to encourage and enable employees to raise serious concerns within the Company rather than overlooking a problem or seeking a resolution of the problem outside the Company.

This Policy applies to all employees and those contractors working for Shane Resources. It is also intended to provide a method for other stakeholders (suppliers, customers, shareholders etc.) to voice their concerns regarding the Company’s business conduct.

The Policy is also intended as a clear statement that if any wrongdoing by the Company or any of its employees or by any of its contractors or suppliers is identified and reported to the Company, it will be dealt with expeditiously and thoroughly investigated and remedied. The Company will further examine and implement the means of ensuring that such wrongdoing can be prevented in future.

A whistleblowing or reporting mechanism invites all employees and other stakeholders to act responsibly to uphold the reputation of their organization and maintain public confidence. Encouraging a culture of openness within the organization will also help this process. This Policy aims to ensure that serious concerns are properly raised and addressed within the Company.

Background

1. What is Whistleblowing?

Employees are usually the first to know when something is going seriously wrong. A culture of turning a “blind eye” to such problems means that the alarm is not sounded and those in charge do not get the chance to take action before real damage is done. Whistleblowing can therefore be described as giving information about potentially illegal and/or underhanded practices i.e. wrong doing.

2. What is wrong doing?

Wrong doing involves any unlawful, illegal or otherwise improper behavior and can include:

- An unlawful act whether civil or criminal;
- Breach of or failure to implement or comply with any approved policy of Shane Resources, including the internal financial controls approved by Shane Resources;
- Knowingly breaching federal or provincial laws or regulations;
- Unprofessional conduct or conduct that is not consistent with recognized, established standards of practice;
- Questionable accounting or auditing practices;

- Dangerous practice likely to cause physical harm/damage to any person/property;

- Failure to rectify or take reasonable steps to report a matter likely to give rise to a significant and avoidable cost or loss to the Company;
- Abuse of power or authority for any unauthorized or ulterior purpose;
- Unfair discrimination in the course of employment or provision of services.

This list is not definitive, but is intended to give an indication of the kind of conduct which might be considered as “wrong doing”.

3. Who is protected?

This Policy is set in the context of the regulatory provisions of National Instrument 52-110 - *Audit Committees* (“NI 52-110”). Any employee who makes a disclosure or raises a concern under this Policy will be protected if the employee:

- Discloses the information in good faith;
- Believes it to be substantially true;
- Does not act maliciously or make knowingly false allegations; and
- Does not seek any personal or financial gain.

4. Who should you contact?

Anyone with a complaint or concern about the Company should try to contact the Chief Executive Officer or Chief Financial Officer at 416-481-2222 (Ext. 246).

5. How the Company will respond?

The Company will respond positively to your concerns. Where appropriate, the matters raised may:

- (a) be investigated by management, the Board of Directors, internal audit (when implemented), or through the disciplinary process;
- (b) be referred to the police;
- (c) be referred to the external auditor or external legal counsel;
- (d) form the subject of an independent inquiry.

In order to protect individuals and those accused of misdeeds or possible malpractice, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

Within ten working days of a concern being raised, the responsible officer will write to you:

- (a) acknowledging that the concern has been received;
- (b) indicating how he/she proposes to deal with the matter;
- (c) giving an estimate of how long it will take to provide a response;
- (d) telling you whether any initial enquiries have been made; and
- (e) telling you whether further investigations will take place and if not, why not.

The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, the Company will seek further information from you.

The Company will take steps to minimize any difficulties which you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Company will arrange for you to receive advice about the procedure.

The Company accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, we will inform you of the outcomes of any investigation.

6. Time Frames

Concerns will be investigated as quickly as possible. It should be borne in mind that it may be necessary to refer a matter to an external agency and this may result in an extension of the investigative process. It should also be borne in mind that the seriousness and complexity of any complaint may have an impact on the time taken to investigate a matter. A designated person will indicate at the outset the anticipated time frame for investigating the complaint.

7. Prevention of Recriminations, Victimization or Harassment

The Company will not tolerate an attempt on the part of anyone to apply any sanction or detriment to any person who has reported to the Company a serious and genuine concern that they may have about an apparent wrongdoing.

8. Confidentiality and Anonymity

The Company will respect the confidentiality of any whistle blowing complaint received by the Company where the complainant requests that confidentiality. However, it must be appreciated that it will be easier to follow up and to verify complaints if the complainant is prepared to give his or her name.

9. False and Malicious Allegations

The Company is proud of its reputation with the highest standards of honesty. It will therefore ensure that substantial and adequate resources are put into investigating any complaint which it receives. However, the Company will regard the making of any deliberately false or malicious allegations by any employee of the Company as a serious disciplinary offence which may result in disciplinary action, up to and including dismissal for cause.

