

## **EVERTON RESOURCES INC.**

(the “Corporation”)

### **INFORMATION CIRCULAR**

(Containing information as at June 22, 2018 unless indicated otherwise)

#### **SOLICITATION OF PROXIES**

**This information circular is provided in connection with the solicitation of proxies by the management of the Corporation for use at the annual general and special meeting of shareholders of the Corporation (the “Meeting”) to be held at the time and place and for the purposes set forth in the attached notice of meeting, and at any adjournment thereof. The solicitation of proxies will be primarily by mail but may be supplemented by telephone or other personal contact by the directors of the Corporation. The cost of solicitation of proxies will be borne by the Corporation.**

**If you cannot attend the Meeting in person, complete and return the enclosed form of proxy following the instructions therein.**

#### **QUORUM FOR THE TRANSACTION OF BUSINESS**

The Corporation’s By-Laws provide that the quorum at a meeting of the shareholders of the Corporation shall be constituted by the attendance of two or more shareholders, present in person or represented by proxy, holding at least 10% of the votes attached to outstanding voting shares.

#### **APPOINTMENT OF PROXIES**

The persons named in the enclosed form of proxy are directors and officers of the corporation. A shareholder has the right to appoint as his or her proxy a person, who need not be a shareholder, other than those whose names are printed on the accompanying form of proxy. A shareholder who wishes to appoint some other person to represent him or her at the meeting may do so either by inserting such other person’s name in the blank space provided in the form of proxy and signing the form of proxy or by completing and signing another proper form of proxy.

#### **REVOCAION OF PROXIES**

A shareholder may revoke a proxy at any time by sending an instrument in writing executed by him or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized in writing, at the same address where the form of proxy was sent and within the delays mentioned therein or two business days preceding the date the meeting resumes if it is adjourned, or remit to the chairman of such meeting on the day of the meeting or any adjournment thereof if applicable.

#### **VOTING OF COMMON SHARES REPRESENTED BY PROXIES**

If the enclosed form of proxy is properly completed and submitted in favour of the persons designated in the printed portion thereof, the common shares represented by such form of proxy will be voted on any ballot that may be called for and where the person whose proxy is solicited specifies a choice with respect to any matter identified therein, the common shares shall be voted in accordance with the specification so made. **Where shareholders have not specified in the form of proxy the manner in which the designated**

**proxy holders are required to vote the common shares represented thereby as to any matter to be voted on, such common shares will be voted in favour of such matter.**

The enclosed form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the notice of meeting and with respect to matters other than those identified in the notice of meeting which may properly come before the meeting. As of the date hereof, the management of the corporation is not aware that any such amendments, variations, or other matters are to be presented for action at the meeting. **If such amendments or new points were to be brought before the meeting, the persons named in the enclosed form of proxy will vote on such matters in the way they consider advisable.**

#### **ADVICE TO NON-REGISTERED SHAREHOLDERS**

Only registered holders of common shares of the Corporation, or the persons they appoint as their proxies, are permitted to attend and vote at the Meeting. However, in many cases, common shares of the Corporation beneficially owned by a holder (a “**Non-Registered Shareholder**”) are registered either:

- A. in the name of an intermediary (an “**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the common shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds and registered educational savings plans and similar plans; or
- B. in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the notice of meeting, this information circular and the form of proxy (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

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

- A. be given a proxy which has already been signed by the Intermediary (typically by facsimile, stamped signature) which is restricted as to the number of common shares beneficially owned by the Non-Registered Shareholder but which is otherwise uncompleted. This form of proxy need not be signed by the Non-Registered Shareholder. In this case, the Non-Registered Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy and deposit it as described in the form of proxy; or
- B. more typically, be given a voting instruction form that must be completed and signed by the Non-Registered Shareholder in accordance with the directions on the voting instruction form (which may in some cases permit the completion of the voting form by telephone).

The purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the common shares they beneficially own. Should a Non-Registered Shareholder who receives either a form of proxy, a proxy or a voting instruction form wish to attend and vote at the Meeting in person (or have

another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the proxy and insert the Non-Registered Shareholder's (or such other corresponding directions on the form.) **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediaries, including those regarding when and where the proxy or the proxy authorization form is to be delivered, and the instructions of their service companies.**

Non-Registered Shareholders who wish to vote their common shares in person at the Meeting must insert their own name in the space provided on the request for voting instructions or proxy form, as the case may be, in order to appoint themselves as proxy holders and follow the signature and return instructions provided by their nominees. Non-Registered Shareholders who appoint themselves as proxy holders should present themselves at the Meeting to a representative of Computershare Investor Services Inc.

**All references to shareholders in this Circular, the enclosed form of proxy and the Notice of Meeting are to the registered shareholders unless specifically stated otherwise.**

#### **RECORD DATE**

The board of directors of the Corporation (the "**Board**") fixed the close of business on July 12, 2018, as the record date (the "**Record Date**") for determining which shareholders shall be entitled to receive Notice of the Meeting and to vote in person or by proxy at the Meeting or any adjournment thereof. Pursuant to the *Canada Business Corporations Act*, the Corporation is required to prepare, no later than ten (10) days after the Record Date, an alphabetical list of the shareholders entitled to vote as of the record date that shows the number of shares held by each shareholder. A shareholder whose name appears on the list referred to above is entitled to vote the shares shown opposite his or her name at the meeting. The list of shareholders is available for inspection during usual business hours at the management office of the Corporation and at the meeting.

#### **AUTHORIZED CAPITAL STOCK, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The authorized capital stock of the Corporation consists of an unlimited number of common shares without par value. Each common share entitles its holder to one vote. On the date hereof, there were 93,134,470 common shares of the Corporation issued and outstanding.

As at the date hereof, to the knowledge of management of the Corporation, no person holds 10% or more of the issued shares of the Corporation.

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

The Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any of the following persons in any matter to be acted upon at the Meeting:

- a) each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year;
- b) each proposed nominee for election as a director of the Corporation; and
- c) each associate or affiliate of any of the foregoing.

## MATTERS FOR CONSIDERATION AT THE MEETING

### PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Corporation for the financial year ended October 31, 2017 and the auditors' report thereon will be placed before the Meeting but no vote with respect thereto is required.

### ELECTION OF DIRECTORS

The By-laws of the Corporation provide that the members of the Board are elected annually. Each director holds office until the next annual meeting of shareholders or until his successor is elected or appointed.

Except for Salvador Brouwer who resigned on April 20, 2018, the mandates of André Audet, Michel Fontaine, Keith Stein, and Steven Mintz will expire at the Meeting of August 16, 2018. **At the Meeting, the nominees named hereunder will be proposed for election as directors of the Corporation. Except where authority to vote in favour of the election of directors is withheld, the nominees named in the accompanying form of proxy will vote the common shares represented by such proxy FOR the election of the five persons named hereunder.** The persons named hereunder have all been members of the Board since the dates indicated hereinafter. Management does not contemplate that any nominee will be unable or unwilling to serve as a director. Each elected director will hold office until the next annual meeting or until a successor is duly elected or appointed unless his office is earlier vacated in accordance with the by-laws of the Corporation.

Set out below in tabular form, are the names of all individuals proposed to be nominated by the management of the Corporation as directors together with related information:

Name	Director since	Office held	Number of shares controlled	Present occupation
André Audet Ottawa, ON	November 2002	Chairman and CEO	4,836,700	Chairman and CEO of the Corporation
Steven Mintz <sup>(1)(2)</sup> Toronto, ON	May 27, 2013	Director	665,000	Consultant
Keith Stein <sup>(1)(2)</sup> Toronto, ON	May 27, 2013	Director	15,200	Counsel at Denton Canada LLP
Michel Fontaine <sup>(1)</sup> Ste-Julie, QC	August 15, 2016	Director	100,000	President and CEO of Albert Mining Inc.

(1) Members of the Audit Committee

(2) Members of the Compensation Committee

Each nominee as director has supplied information concerning the number of common shares over which he exercises control or direction. All the above-mentioned nominees have been previously elected as directors of the Corporation at a shareholders' meeting for which an information circular was issued.

## Corporate Cease Trade Orders, Bankruptcy and Penalties

To the knowledge of the Corporation, none of the foregoing nominees for election as a director of the Corporation:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; 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 of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director 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; or
- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets; or

To the knowledge of the Corporation none of the nominees for election as directors of the Corporation have 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; or
- (b) 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.

**You can vote for the election of all the candidates described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying form of proxy will vote IN FAVOUR of the election of each of the candidates described above as director of the Corporation.**

## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

### A – COMPENSATION OF EXECUTIVE OFFICERS

#### Compensation Discussion and Analysis

##### *Interpretation*

“Named executive officer” (“**NEO**”) means:

- (a) a Chief Executive Officer (“**CEO**”);
- (b) a Chief Financial Officer (“**CFO**”);
- (c) each of the three most highly compensated executive officers of the Corporation, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, 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 an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year.

The NEOs who are the subject of this Compensation Discussion and Analysis are André Audet, Chairman and CEO, Sabino Di Paola, former CFO (has resigned on March 1, 2017), and Lucie Letellier, current CFO.

##### *Compensation Program Objectives*

The Corporation’s process with respect to executive compensation is not based on any formal criteria or analysis, however, in determining compensation the Compensation Committee will ensure that compensation is internally equitable. When determining the compensation of the NEO’s, the Board takes into account the limited resources of the Corporation and certain general principles including:

- to attract, retain and motivate talented executives who create and sustain the Corporation’s continued success;
- to align the interests of the Corporation’s executives with the interests of the Corporation’s shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics. The Corporation is a mining company involved in exploration and will not be generating significant revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by the Corporation to be appropriate in the evaluation of the performance of the NEOs.

### ***Purpose of the Compensation Program***

The Corporation's executive compensation program has been designed to reward executives for reinforcing the Corporation's business objectives and values, for achieving the Corporation's performance objectives and for their individual performances.

### ***Elements of Compensation Program***

The executive compensation program consists of a combination of base salary, performance bonus, and stock option incentives.

### ***Purpose of Each Element of the Executive Compensation Program***

The base salary of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed base salary, each NEO is eligible to receive a performance-based bonus meant to motivate the NEO to achieve short-term goals. Awards under this plan are made by way of cash payments only, which payment are typically made during the first calendar quarter following the end of a fiscal year.

Stock options are generally awarded to NEOs on an annual basis. The granting of stock options upon hire aligns NEOs' rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Corporation's performance and in the value of the shareholders' investments.

### ***Determination of the Amount of Each Element of the Executive Compensation Program***

#### ***Intervention of the Board of Directors***

Compensation of the NEOs of the Corporation is reviewed annually by the Board.

#### ***Base Salary***

The base salary and/or compensation of an NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

The base salary and/or compensation of the NEOs of the Corporation, is reviewed annually by the Compensation Committee. The Compensation Committee then makes its recommendations to the Board. The Board approves the base salary and/or compensation of each NEO based on the recommendations of the Compensation Committee.

The base salary and/or compensation are based on the executive officer's personal performance and expertise, contribution to the business of the Corporation and the stage of development of the Corporation.

#### ***Performance Bonuses***

The Compensation Committee may, from time to time, exercise its discretion to recommend to the Board to allow that a bonus be paid based on the overall performance of the Corporation, exceptional market conditions or when exceptional strategic achievements that could increase the value of the Corporation

are realized during the year. The bonus is not based on known or measured corporate or individual performance objectives.

### *Stock Options*

The Corporation has established a formal plan (the “**Stock Option Plan**”) under which stock options are granted to directors, officers, employees, and consultants as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Corporation’s Stock Option Plan; determines the number of options granted to such individuals; and determines the date on which each option is granted and the corresponding exercise price. For further information regarding the Stock Option Plan refer to “*Securities Authorized for Issuance under Equity Compensation Plans*”.

The Board makes these determinations subject to the provisions of the existing Stock Option Plan and, where applicable, the policies of the TSX Venture Exchange.

### *Link to Overall Compensation Objectives*

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of each NEO, combined with the performance bonuses and granting of stock options, has been designed to provide total compensation which the Board believes is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

### **Summary Compensation Table**

The following table presents information concerning all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, to NEOs by the Corporation for services in all capacities to the Corporation during the three (3) most recently completed financial years:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
André Audet President and CEO	2017	120,000	-	-	-	-	-	-	120,000
	2016	120,000	-	212,125	-	-	-	-	332,125
	2015	120,000	-	-	-	-	-	-	120,000
Lucie Letellier <sup>(2)</sup> CFO	2017	35,000	-	13,520	-	-	-	-	48,520
Sabino Di Paola <sup>(2)</sup> Former CFO	2017	14,000	-	-	-	-	-	-	14,000
	2016	43,600	-	28,787	-	-	-	-	72,387
	2015	38,350	-	-	-	-	-	-	38,350

(1) Fair value at the time of grant is calculated using the Black-Scholes option pricing model.

(2) Mr. Sabino Di Paola, former CFO, resigned on March 1, 2017 and was replaced by Mrs. Lucie Letellier.



## Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the NEOs of the Corporation:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market payout value of vested share-based awards not paid out or distributed (\$)
André Audet President and CEO	500,000	0.20	March 11, 2019	-	-	-	-
	500,000	0.05	April 14, 2021	-	-	-	-
	1,500,000	0.13	August 15, 2021	-	-	-	-
Lucie Letellier CFO	200,000	0.07	February 24, 2022	-	-	-	-
Sabino Di Paola Former CFO	40,000	0.20	March 11, 2019	-	-	-	-
	75,000	0.05	April 14, 2021	-	-	-	-
	200,000	0.13	August 15, 2021	-	-	-	-

(1) Based on a closing price of \$0.05 per share on October 31, 2017, the last day shares traded in the most recently completed financial year.

## Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for each NEO during the most recently completed financial year:

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 (\$)
André Audet	-	-	-
Lucie Letellier	13,520	-	-
Sabino Di Paola	-	-	-

### Pension Plan Benefits

The Corporation does not have a pension plan or other similar plan.

### Termination and Change of Control Benefits

During the most recently completed financial year there were no employment contracts, agreements, plans, or arrangements for payments to a NEO, at, following or in connection with any termination (whether voluntary, involuntary, or constructive), resignation, retirement, a change in control of the Corporation, or a change in a NEO's responsibilities, except as follows. Pursuant to an employment agreement dated September 1, 2010, if the employment of the Corporation's President and CEO, Andre Audet, is terminated by the Corporation during the 12-month period commencing on the first day after a change of control as defined in the employment agreement (the "Window Period") other than for cause or by reason of the death or disability of Mr. Audet, or should there be good reason (i.e., constructive wrongful dismissal) during the Window Period that is not cured within 30 days after notice, the Corporation is required to pay to Mr. Audet within 30 days following the last day of employment, a lump

sum cash amount (subject to any applicable payroll or other taxes required to be withheld) equal to the total of two (2) times his then annual base salary (i.e., 24 months base salary).

## B – DIRECTORS COMPENSATION

### Director Compensation

The compensation of the Directors is determined by the Compensation Committee.

### Director Compensation Table

The following table sets forth information with respect to all amounts of compensation provided to the directors of the Corporation for the most recently completed financial year.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Salvador Brouwer	66,687	-	-	-	-	-	66,687
Keith Stein	-	-	-	-	-	-	-
Steven Mintz	-	-	-	-	-	-	-
Michel Fontaine	-	-	-	-	-	-	-

(1) Fair value at the time of grant is calculated using the Black-Scholes option pricing model.

### *Share-Based Awards, Options-Based Awards, and Non-Equity Incentive Plan Compensation*

#### *Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information in respect of all share-based awards and option-based awards outstanding at the end of the most recently completed financial year to the directors of the Corporation who are not NEOs:

Name	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market payout value of vested share-based awards not paid out or distributed (\$)
Salvador Brouwer	120,000	0.20	March 11, 2019	-	-	-	-
	100,000	0.05	April 14, 2021	-	-	-	-
	200,000	0.13	August 15, 2021	-	-	-	-
Keith Stein	120,000	0.20	March 11, 2019	-	-	-	-
	100,000	0.05	April 14, 2021	-	-	-	-
	200,000	0.13	August 15, 2021	-	-	-	-
Steven Mintz	120,000	0.20	March 11, 2019	-	-	-	-
	100,000	0.05	April 14, 2021	-	-	-	-
	200,000	0.13	August 15, 2021	-	-	-	-
Michel Fontaine	400,000	0.13	August 15, 2021	-	-	-	-

(1) Based on a closing price of \$ \$0.05 per share on October 31, 2017.

## Incentive Plan Awards – Value Vested or Earned During the Most Recently Completed Financial Year

The following table presents information concerning value vested with respect to option-based awards and share-based awards for the directors of the Corporation who are not NEOs during the most recently completed financial year:

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 (\$)
Salvador Brouwer	-	-	-
Keith Stein	-	-	-
Steven Mintz	-	-	-
Michel Fontaine	-	-	-

## Directors' and Officers' Liability Insurance

The Corporation maintains liability insurance for its directors and officers acting in their respective capacities. The policy contains standard industry exclusions, and no claims have been made thereunder to date. The premium is \$16,146 for coverage of \$5,000,000 with following deductibles: \$50,000 (Clause B), \$100,000 (Clause C), and \$150,000 (Clause D).

## Composition of the Compensation Committee

The members of the compensation committee of the Corporation are Keith Stein and Steven Mintz. All such members are independent members of the compensation committee as such term is defined in *Regulation 52-110 Audit Committees* (“**Regulation 52-110**”).

## Relevant Skills and Experience

**Keith Stein** is a graduate of Osgoode Hall Law School who was called to the Bar in 1989. He has taught at the Law Society of Upper Canada and York University. He joined Dentons as Counsel in 2014 after serving as counsel at Heenan Blaikie in Toronto from 2008 to February 2014. From 1994 to 2008, he was a senior executive with Magna International Inc. and continued to act as a consultant until November 2010. Prior to becoming a consultant, Mr. Stein held the position of Senior Vice-President of Corporate Affairs at Magna International and, before joining Magna, he was Senior Corporate Counsel for Toyota Canada and Toyota Credit Canada.

**Steven Mintz** is a graduate of the University of Toronto who went into public accounting for a large accounting firm from 1989 until 1992. He obtained his C.A. designation in June of 1992 and his Trustee in Bankruptcy license in 1995. In 1999, Mr. Mintz began working on tax and investment strategies with clients and has been working extensively on successful strategies ever since.

## Responsibilities, Powers and Operation of the Compensation Committee

The purpose of the Compensation Committee is to assist the Board in monitoring, reviewing and approving compensation policies and practices of the Company and administering the Company's share compensation plans. Its responsibilities include reviewing and making recommendations to the Board with respect to the overall compensation strategy and policies for directors, officers, employees and consultants of the Company. The compensation committee has the sole authority to retain any compensation consultants to advise the Committee and to approve such consultants' fees and other retention terms.

## Securities Authorized for Issuance Under Equity Compensation Plan

The following table sets out, as of the end of the most recently completed financial year, all required information with respect to compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	5,465,000	0.14	3,848,447
Equity compensation plans not approved by security holders	-	-	-

## Stock Option Plan

The Corporation's stock option plan (the "**Plan**") was adopted by the Board in 2005 and last amended August 31, 2012. Pursuant to the Plan:

- The number of common shares which may be reserved under the Plan is limited to 10% of the aggregate number of common shares of the Corporation issued and outstanding, as the case may be. Consequently, the number of common shares reserved under the Plan could automatically increase or decrease as the number of issued and outstanding common shares of the Corporation increases or decreases. This is known as a "rolling" stock option plan;
- the maximum number of common shares which may be reserved for issuance in favour of a beneficiary, in any twelve (12) month period, is limited to 5% of the shares issued and outstanding;
- the maximum number of common shares which may be reserved for issuance in favour of a consultant, in any twelve (12) month period, is limited to 2% of the shares issued and outstanding;
- the total number of common shares which may be reserved for issuance to persons employed to provide investor relations activities may not exceed, in any twelve (12) month period, 2% of the shares issued and outstanding;
- the exercise price of options granted under the Plan must not be less than the closing price of the day before the options are granted;
- options are exercisable for a maximum period of five (5) years;
- upon the optionee's ceasing to be a director, officer, employee or consultant of the Corporation, options will expire twelve (12) months from the date of termination, subject to the option's date of

expiration and thirty (30) days in the case of a person engaged in investor relations activities. If the cessation of office, directorship, consulting arrangement or employment is by reason of death, the option may be exercised up to twelve (12) months after such death, subject to the expiry date of such options;

- the options are non-assignable and not transferable; and
- the “rolling” stock option plan must receive shareholder approval yearly, at the annual general meeting of shareholders.

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

During the fiscal year ended October 31, 2017, and as at the date of this Circular, none of the directors, executive officers, employees (or previous directors, executive officers, or employees of the Corporation), each proposed nominee for election as a director of the Corporation (or any associate of a director, executive officer or proposed nominee) was or is indebted to the Corporation with respect to the purchase of securities of the Corporation and for any other reason pursuant to a loan.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Unless it is disclosed in this Circular or in the audited financial statements for the period ended October 31, 2017, the management of the Corporation is not aware of any material interest, direct or indirect, that any director, proposed director, officer, shareholder of the Corporation holding, directly or indirectly, as beneficial owner, more than 10% of the outstanding common shares of the Corporation or any associate or affiliate of any such persons would have in any material transaction concluded since the beginning of the last financial year of the Corporation or in any proposed transaction which had or could have a material effect on the Corporation.

#### **APPOINTMENT OF AUDITORS AND AUTHORIZATION GIVEN TO THE BOARD OF DIRECTORS TO FIX THE REMUNERATION OF THE AUDITORS**

Since June 20, 2017, DeVisser Gray LLP (“**DeVisser Gray**”) was appointed as auditors of the Corporation.

The management of the Corporation proposes DeVisser Gray as auditors of the Corporation for the financial year ending October 31, 2018 and the authorization for the Board to fix their remuneration.

**At the Meeting, or any adjournment thereof, DeVisser Gray, will be proposed for appointment as auditors of the Corporation for the current financial year and, unless authority to vote in respect thereof is withheld, the nominees named in the accompanying form of proxy will vote FOR such appointment and authorizing the Board to fix their remuneration.**

## AUDIT COMMITTEE

### Charter of the Audit Committee

The text of the audit committee's charter is attached hereto as Schedule "A".

### Composition of the Audit Committee

The members of the audit committee of the Corporation are Steven Mintz, Keith Stein, and Michel Fontaine. All such members are financially literate and independent members of the audit committee, as such terms are defined in Regulation 52-110.

### Education and Relevant Experience

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below:

**Steven Mintz** is a graduate of the University of Toronto who went into public accounting for a large accounting firm from 1989 until 1992. He obtained his C.A. designation in June of 1992 and his Trustee in Bankruptcy license in 1995. In 1999, Mr. Mintz began working on tax and investment strategies with clients and has been working extensively on successful strategies ever since.

**Keith Stein** is a graduate of Osgoode Hall Law School who was called to the Bar in 1989. He has taught at the Law Society of Upper Canada and York University. He joined Dentons as Counsel in 2014 after serving as counsel at Heenan Blaikie in Toronto from 2008 to February 2014. From 1994 to 2008, he was a senior executive with Magna International Inc. and continued to act as a consultant until November 2010. Prior to becoming a consultant, Mr. Stein held the position of Senior Vice-President of Corporate Affairs at Magna International and, before joining Magna, he was Senior Corporate Counsel for Toyota Canada and Toyota Credit Canada.

**Michel Fontaine** Mr. Michel Fontaine is an independent director of Everton and a member of the governance and audit committees. Mr. Fontaine is currently President and CEO and director of Albert Mining (TSX.V: AIIM). Previously, Mr. Fontaine held a position of Vice-President– Business Development of Diagnose Inc (TSX.V: ADK), a software company using Artificial Intelligence(AI) in the mining sector. Before working as a broker at a major Canadian securities firm, he worked in the mining sector in Vancouver. Michel is also on the board of the Quebec Mineral Exploration Association(AEMQ) and Metanor Resources (TSX.V: MTO).

### Audit Committee Oversight

At no time since the commencement of the Corporation's financial year ended October 31, 2017 was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Corporation's financial year ended October 31, 2017 has the Corporation relied on the exemption provided under section 2.4 of Regulation 52-110 (*De minimis Non-*

audit Services) or an exemption from Regulation 52-110, in whole or in part, granted under Part 8 of Regulation 52-110 (*Exemptions*).

However, the Corporation is not required to comply with Parts 3 (*Composition of the Audit Committee*) and 5 (*Reporting Obligations*) of Regulation 52-110 given that it is a venture issuer as defined in Regulation 52-110.

### **Pre-Approval Policies and Procedures**

The audit committee of the Corporation has adopted specific policies and procedures for the engagement of non-audit services as described in the audit committee's charter attached hereto as Schedule "A".

### **External Auditor Service Fees**

The aggregate fees billed by the Corporation's external auditors in each of the last two (2) fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit-Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
October 31, 2017	20,000	-	1,850	-
October 31, 2016	31,620	-	3,500	-

### **STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

The Board considers good corporate governance to be important to the effective operations of the Corporation and to ensure that the Corporation is managed so as to enhance shareholder value. The Board is responsible for ensuring that the Corporation addresses all relevant corporate governance issues in compliance with the corporate governance guidelines set forth in Policy Statement 58-201 to Corporate Governance Guidelines.

The Corporation's disclosure of corporate governance practices pursuant to Regulation 58-101 respecting Disclosure of Corporate Governance Practices is set out below.

#### **Board of Directors**

##### Independent Directors

The independent directors of the Corporation are Steven Mintz, Keith Stein, and Michel Fontaine.

##### Non-Independent Director

The non-independent director of the Corporation is André Audet in light of his position as CEO of the Corporation.

## Directorships

The following Directors are currently directors of other issuers that are reporting issuers (or the equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Name of Director	Issuer
André Audet	Albert Mining Inc.
Steven Mintz	Poolsafe Inc. Portage Biotech Inc. 22 Capital Corp. Mooncor Oil and Gas Corp.
Keith Stein	Organic Garage Ltd.
Michel Fontaine	Albert Mining Inc. Metanor Resources Inc.

## Orientation and Continuing Education

The Board takes the following steps to ensure that all new directors receive orientation regarding the role of the Board, its committees and its directors, and the nature and operation of the Corporation: reports and other documentation relating to the Corporation's business and affairs are provided to new directors and Board meetings are held at the Corporation's main site to give the directors additional insight into the Corporation's business and operations.

The Board has not at this time taken any measures to provide continuing education for the directors. However, the directors of the Corporation are encouraged to attend, at the Corporation's expense, any seminar given by the TSX Venture Exchange or the Canadian Securities Administrators relating to the management of a public company or relating to their responsibilities as a director of a public company. Furthermore, the directors are given access to the Corporation's legal advisors for any questions they may have relating to such responsibilities.

## Ethical Business Conduct

The Board has taken steps to encourage and promote a culture of ethical business conduct by adopting a code of business conduct and ethics (the "Code") applicable to all employees, officers, directors, consultants and contractors of the Corporation and its subsidiaries. All such persons are expected to adhere to the principles contained in the Code and failure to observe the terms of the Code may result in disciplinary action, including suspension, termination of employment or removal from the Board.

The Code covers a wide range of business practices and principles including the need for: (i) compliance with applicable laws and regulations, (ii) acting honestly and in good faith having in view the Corporation's best interest (iii) advancing the Corporation's legitimate interests, (iv) compliance at all times with prescribed accounting, internal accounting, and auditing procedures and controls (to this regard, the Corporation has instituted a "whistleblower" program whereby any infractions can be reported to the Chair of the Audit Committee), (v) compliance with applicable securities laws prohibiting trading in the securities of a company while in possession of material, non-public information regarding such company (insider trading), (vi) respect of confidential information regarding the Corporation, (vii)



protection and proper use of the Corporation's assets (viii) property of inventions, developments and improvements conceived by employees during their period of employment, (ix) respect of co-workers, their integrity and their dignity and (x) respect of applicable environmental laws and regulations. The Corporation expects employees and directors to take all responsible steps to prevent a violation of the Code and in this regard, are encouraged to report any violations thereto.

No material change report has been filed that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.

### **Nomination of Directors**

The Chairman of the Board and President of the Corporation seek qualified candidates to be considered for nomination as directors. Proposed nominations are subject to review and approval by the Board.

Any new appointees or nominees to the Board must have a favourable track record in general business management, special expertise in areas of strategic interest to the Corporation, the ability to devote the time required and a willingness to serve as a director.

### **Compensation**

On an annual basis, the Chairman of the Board and the Compensation Committee evaluate the adequacy of compensation of the directors. After sufficient review and analysis, the Compensation Committee recommends the remuneration of the directors and the President to the Board for approval.

### **Other Board Committees**

There are currently no committees other than the Audit Committee and the Compensation Committee.

### **Assessments**

The Board has not established any formal procedures for assessing the performance of the Board or its committees and members. Generally, those responsibilities have been carried out on an informal basis by the Board itself. Furthermore, it is the view of the Board that, in light of its small size and the close and open relationship among its members, the formality of a committee would not be as effective as the current arrangement and is unnecessary.

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

### **APPROVAL OF THE STOCK OPTION PLAN**

The material terms and conditions of the stock option plan (the "**Plan**") are set out under the heading "Terms and Conditions of Stock Option Plan" in this Information Circular.

Under the Plan, the Board may, from time to time and at its discretion, grant to directors, officers, employees or consultants of the Corporation options to acquire common shares of the Corporation, provided that the number of options granted does not exceed a maximum of 10% of the aggregate number of common shares of the Corporation issued and outstanding.

Consequently, the number of common shares that are reserved under the Plan is automatically increased or decreased as the number of issued and outstanding common shares of the Corporation increases or decreases.

This is known as a “rolling” stock option plan. Under the rules of the TSX Venture Exchange, a “rolling” stock option plan must receive shareholder approval yearly, at the annual general meeting of shareholders.

Accordingly, shareholders will be asked to adopt the following resolution:

BE IT RESOLVED:

1. THAT the plan, as described within this information circular, be and is hereby approved and confirmed; and
2. THAT the directors of the Corporation be and are hereby authorized to do all things and sign all instruments and documents necessary or desirable to give effect to the foregoing.

In order to be adopted, the resolution must be approved by a majority of the votes cast by the shareholders, either present in person or represented by proxy at the Meeting.

**The persons designated in the accompanying form of proxy will vote IN FAVOUR of the resolution unless the shareholder specifies in his/her form of proxy his/her intention to vote against it.**

### CONSOLIDATION OF SHARE CAPITAL

By resolution approved on June 22, 2018, the Board of Directors of the Corporation (the “**Board**”) authorized the submission to Shareholders of the special resolution set forth in Schedule B to this Circular approving an amendment to its articles of incorporation to consolidate its issued and outstanding Common Shares on the basis of a maximum of ten Common Shares for one new share (a “**PostShare**”). Approval of the special resolution by Shareholders would give the Board authority to implement the consolidation of the Common Shares at its discretion. In addition, notwithstanding approval of the proposed consolidation by Shareholders, the Board may revoke the special resolution and abandon the consolidation without further approval or action by or prior notice to Shareholders.

#### *Background and Reasons for the Share Consolidation*

It is the Board's opinion that the Corporation's existing issued and outstanding Common Share structure is not conducive to securing additional equity financing and that a restructuring is warranted in order to facilitate attracting new investments to the Corporation. Implementing the restructuring process in a timely manner will also put the Corporation in a much stronger position to take advantage of potential value-added opportunities.

The special resolution would also authorize the Board to elect not to proceed with, and abandon, the consolidation at any time if it determines, at its sole discretion, to do so. The Board would exercise this right if it determined that the consolidation was no longer in the best interests of the Corporation and its Shareholders. No further approval or action by or prior notice to Shareholders would be required for the Board to abandon the consolidation.

### *Principal Effects of the Share Consolidation*

If approved and implemented, the consolidation will occur simultaneously for all of the Corporation's Common Shares and the consolidation ratio will be the same for all of such shares. The consolidation will affect all Shareholders uniformly and will not affect any Shareholder's percentage ownership interest in the Corporation, except to the extent that the consolidation would otherwise result in any Shareholder owning a fractional Post Share. As described below under "Effect on Fractional Shareholders", any fraction resulting from the consolidation of a Shareholder's Common Shares will be rounded down or up depending on the fraction obtained as a result of the consolidation. Each Common Share outstanding after the consolidation will be entitled to one vote and will be fully paid and non-assessable.

The principal effects of the consolidation will be that:

- the number of shares of the Corporation issued and outstanding will be reduced from 93,134,470 Common Shares to 9,313,447 Post Shares;
- the exercise price and/or the number of Common Shares of the Corporation issuable under any of the Corporation's outstanding convertible securities, purchase warrants, stock options and any other similar securities will be proportionately adjusted upon the consolidation; and
- the number of Common Shares reserved for issuance under the Corporation's current Stock Option Plan will be reduced proportionately upon the consolidation.

### *Effect on Fractional Shareholders*

No fractional Post Share will be issued if, as a result of the consolidation, a registered Shareholder would otherwise become entitled to a fractional Post Share. Consequently, any fraction resulting from the consolidation of a Shareholder's Common Shares will be rounded down to the lower unit where the fraction obtained is less than 0.5 and will be rounded up to the larger unit when the fraction obtained is equal to or greater than 0.5.

### *Effect on Convertible Securities, Stock Options and Other Arrangements*

The exercise price and/or the number of Common Shares of the Corporation issuable under any of the Corporation's outstanding convertible securities, purchase warrants, stock options and any other similar securities will be proportionately adjusted upon the consolidation in accordance with the terms of such securities based on the consolidation ratio approved by the Shareholders.

### *Effect on Share Certificates*

If the proposed consolidation is approved by Shareholders and implemented by the Corporation's Board, registered Shareholders will be required to exchange their share certificates representing pre-consolidation Common Shares for Post Share certificates.

Concurrently with the mailing of the Circular, the Corporation is mailing to registered Shareholders a transmittal letter addressed to the Corporation and its transfer agent and registrar, Computershare Investor Services Inc., which each Shareholder will need to complete following the Corporation's announcement of the effective date of the consolidation. The transmittal letter contains instructions on

how to surrender to Computershare your certificate or certificates representing your pre-consolidation Common Shares. Computershare will send each registered Shareholder who has sent the required documents a new Post Share certificate representing the number of Post Shares to which the Shareholder is entitled. Until surrendered to Computershare, each certificate representing pre-consolidation Common Shares of the Corporation will be deemed for all purposes to represent the number of whole Post Shares to which the Shareholder is entitled as a result of the consolidation.

**SHAREHOLDERS SHOULD NOT DESTROY ANY SHARE CERTIFICATE AND SHOULD NOT SUBMIT ANY SHARE CERTIFICATE UNTIL REQUESTED TO DO SO.**

*Procedure for Implementing the Share Consolidation*

If the special resolution is approved by Shareholders and the Corporation's Board of Directors decides to implement the consolidation, the Corporation will promptly file articles of amendment with the Director under the *Canada Business Corporations Act* in the form prescribed to amend the Corporation's articles of incorporation. The consolidation will become effective on the date appearing in the certificate of amendment issued by the Director under the *Canada Business Corporations Act*.

**No Dissent Right**

Under the *Canada Business Corporations Act*, Shareholders do not have dissent and appraisal rights with respect to the proposed consolidation.

**Required Vote and Recommendation of Board**

Schedule B to this Circular contains the text of the special resolution to be submitted to Shareholders at the Meeting. **For the reasons indicated above, the Board and management of the Corporation believe that the proposed consolidation is in the best interests of the Corporation and its Shareholders and, accordingly, recommend that Shareholders to vote FOR the special resolution.** To take effect, the special resolution must be approved by not less than two-thirds of the votes cast by the holders of Common Shares present in person or represented by proxy at the Meeting. In addition, in accordance with the requirements of the TSX Venture Exchange, it must approve the proposed consolidation of the Corporation's Common Shares. The special resolution provides that the Board may, where it deems expedient in the interests of the Corporation, revoke the special resolution at any time prior to the issuance of the certificate of amendment by the Director pursuant to the *Canada Business Corporations Act*, without having to give notice to the Shareholders of the Corporation and without having to obtain any other authorization from them.

**Unless the Shareholders provide instruction to the contrary, the persons named as proxyholders in the enclosed proxy form intend to vote FOR the adoption of the special resolution, the text of which appears in Schedule B to this Circular.**

**OTHER BUSINESS**

Management knows of no other matter to become before the Meeting. However, if any other matters which are known to the management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons' named therein to vote on such matters in accordance with their best judgement.

## **ADDITIONAL INFORMATION**

Additional financial information is provided in the consolidated financial statements of the Corporation and in the management's discussion and analysis report of the financial condition of operations for the fiscal year ended October 31, 2017. Copies of this circular and the documents mentioned hereinabove are available on SEDAR ([www.sedar.com](http://www.sedar.com)).

Additional copies are also available by contacting the Corporation at its administrative office:

99-5460 Canotek Road  
Ottawa, Ontario, K1J 9G9  
Telephone: (613) 241-2332  
Facsimile: (613) 422-0773  
Email: [andre@evertonresources.com](mailto:andre@evertonresources.com)


The Corporation may request the payment of reasonable fees if the requesting party is not a shareholder of the Corporation.

## **APPROVAL OF INFORMATION CIRCULAR**

The contents and the sending of the Circular have been approved by the Directors of the Corporation.

Ottawa, June 22, 2018

**By order of the Board of Directors**



**André Audet,**  
**Chairman and Chief Executive Officer**

## SCHEDULE A

### AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with *Multilateral Instrument 52-110 Audit Committees* (“MI 52-110”).

#### 1. MANDATE AND OBJECTIVES

The mandate of the audit committee of the Corporation (the “**Committee**”) is to assist the board of directors of the Corporation (the “**Board**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes.

The objectives of the Committee are to:

- (i) serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
- (ii) ensure the independence of the Corporation’s external auditors; and
- (iii) provide better communication among the Corporation’s auditors, the management and the Board.

#### 2. COMPOSITION

The Committee shall be comprised of at least three (3) directors as determined by the Board. The majority of the members of the Committee shall be independent, within the meaning of MI 52-110.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the 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 this 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 Corporation’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholders’ meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

#### 3. MEETINGS AND PROCEDURES

3.1 The Committee shall meet at least four (4) times a year or more frequently if required.

- 3.2 At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.
- 3.3 A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

#### **4. DUTIES AND RESPONSIBILITIES**

The following are the general duties and responsibilities of the Committee:

##### **4.1 Financial Statements and Disclosure Matters**

- a) review the Corporation's financial statements, MD&A and any press releases regarding annual and interim earnings, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;
- b) must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than the public disclosure referred to in subsection a) above and must periodically assess the adequacy of those procedures.

##### **4.2 External Auditors**

- a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;
- b) oversee the work and review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
- c) on an annual basis, review and discuss with the external auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;
- d) consult with the external auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- e) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- f) review the audit plan for the year-end financial statements and intended template for such statements;

- g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:
  - i) the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to its external auditors during the fiscal year in which the non-audit services are provided;
  - ii) such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and
  - iii) such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audit services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

#### **4.3 Financial Reporting Processes**

- a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- b) consider the external auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- d) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- e) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- f) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.



## SCHEDULE B

### SPECIAL RESOLUTION ON THE SHARE CONSOLIDATION

**UPON MOTION DULY MADE AND SECONDED, IT IS RESOLVED:**

1. **TO AUTHORIZE** the Corporation to amend its articles of incorporation as follows:
  - (i) the share capital of the Corporation is modified by means of the consolidation of all the issued and outstanding Common Shares of the Corporation on the basis of a maximum of ten Common Shares for one new share and implemented at the discretion of the Corporation's board of directors;
  - (ii) no fractional share will be issued if the consolidation results in the issue of a fraction of a share. Consequently, any fraction resulting from the consolidation of a Shareholder's shares will be rounded down to a lower unit where the fraction obtained is less than 0.5 and rounded up to the higher unit where the fraction obtained is equal to or greater than 0.5;
  - (iii) the effective date of the consolidation will be the date indicated on the certificate of amendment issued by the Director pursuant to the *Canada Business Corporations Act*;
2. **TO AUTHORIZE** the board of directors, in its sole discretion, to implement the share consolidation;
3. **TO AUTHORIZE** any officer or director of the Corporation to and deliver any document and to do any other thing that he might deem necessary or expedient to give effect to this special resolution, including the determination of the effective date of the consolidation and the remittance of the amending clauses in the prescribed manner and form to the Director pursuant to the *Canada Business Corporations Act*; and
4. **TO AUTHORIZE** the directors of the Corporation, notwithstanding the foregoing and where they deem it expedient in the interests of the Corporation, to revoke this special resolution at any time prior to the issuance of the certificate of amendment by the Director pursuant to the *Canada Business Corporations Act*, without having to give notice to the Shareholders of the Corporation and without having to obtain any other authorization from them.