



**NOTICE OF  
ANNUAL GENERAL MEETING  
AND  
INFORMATION CIRCULAR**

April 25, 2014



**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 30, 2014**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the “**Meeting**”) of Grand Peak Capital Corp. (“**Grand Peak**” or the “**Company**”) will be held at Suite 200 – 8338 120<sup>th</sup> Street Surrey, British Columbia, on Friday, May 30, 2014 at 2:30 PM (PST/DST) for the following purposes:

1. to receive and consider the consolidated financial statements of the Company for the fiscal year ended September 30, 2013, and the reports of the auditor thereon;
2. to fix the number of directors for the ensuing year at three (3);
3. to elect directors of the Company for the ensuing year;
4. to appoint the auditor for the Company for the ensuing year and to authorize the directors to fix the auditor's remuneration;
5. to consider, and if thought advisable, approve, the adoption of the Company's stock option plan (the “**Stock Option Plan**”) described in the Company's Information Circular dated April 25, 2014 accompanying this Notice of Meeting (the “**Information Circular**”);
6. to transact such other business as may properly come before the Meeting or at any adjournments thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the annual general meeting and is deemed to form part of this Notice.

Shareholders who are unable to attend the Annual General and Meeting are requested to complete sign, date and return the enclosed form of proxy indicating your voting instructions. A proxy will not be valid unless it is deposited at the office of Computershare Trust Company of Canada, at 510 Burrard Street, 3<sup>rd</sup> Floor, Vancouver, B.C. V6C 3B9 at least 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or adjournment thereof. If you are not a registered shareholder, please refer to the accompanying Information Circular for information on how to vote your shares.

DATED at Surrey, British Columbia, this 25<sup>th</sup> day of April, 2014

“Sonny Janda”  
Sonny Janda  
President and  
Chief Executive Officer

## GRAND PEAK CAPITAL CORP.

### INFORMATION CIRCULAR

The information contained in this Information Circular, unless otherwise indicated, is as of April 25, 2014.

This Information Circular is being mailed by the management of Grand Peak to everyone who was a shareholder of record on April 25, 2014, which is the date that has been fixed by the directors of Grand Peak as the record date to determine the shareholders who are entitled to receive notice of the Meeting.

Grand Peak is mailing this Information Circular in connection with the solicitation of proxies by and on behalf of Grand Peak's management for use at the annual general meeting (the "**Meeting**") of the shareholders that is to be held on Friday, May 30, 2014 at 2:30 PM (PST/DST) at Suite 200 – 8338 120th Street, Surrey, British Columbia.

The solicitation of proxies will be primarily by mail. Certain employees or directors of Grand Peak may also solicit proxies by telephone or in person. The cost of solicitation will be borne by Grand Peak.

Under Grand Peak's Articles, at least one shareholder must be present in person or by proxy before any action may validly be taken at the Meeting. If such a quorum is not present in person or by proxy, the Company will reschedule the Meeting.

### INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Information Circular is given as at April 25, 2014 unless otherwise noted.

No person has been authorized to give any information or to make any representation of matters described herein other than those contained in this Information Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Information Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Information Circular should not be construed as legal, tax or financial advice and Grand Peak Shareholders are urged to consult their own professional advisers in connection therewith.

### PART 1 – GENERAL PROXY INFORMATION

#### HOW A VOTE IS PASSED

Voting at the Meeting will be by a show of hands, each shareholder having one vote, unless a poll is requested or required (if the number of shares represented by proxies that are to be voted against a motion are greater than 5% of the votes that could be cast at the Meeting), in which case each shareholder is entitled to one vote for each share held. In order 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 66 2/3% of the votes cast will be required (a "special resolution").

#### WHO CAN VOTE

Registered shareholders of the Company as at April 25, 2014 are entitled to attend at the Meeting and cast a vote for each share registered in their name on all resolutions put before the Meeting. If the shares are registered in the name of a corporation, a duly authorized officer of the corporation may attend on its behalf but documentation indicating such officer's authority should be presented at the Meeting. Registered shareholders who do not wish to, or cannot, attend the Meeting in person may appoint someone else to attend the Meeting and act as their proxyholder to vote in accordance with their instructions (see "Voting by Proxy"). If your shares are registered in the name of a "nominee" (usually a bank, trust company, securities dealer or other financial institution) you should refer to the section entitled "Beneficial Shareholders" set out

below.

It is important that your shares be represented at the Meeting regardless of the number of shares you hold. If you will not be attending the Meeting in person, the Company invites you to complete, date, sign and return your form of proxy as soon as possible so that your shares will be represented.

#### **APPOINTMENT OF PROXYHOLDERS**

The individual(s) named in the accompanying form of proxy are management's representatives.

**If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or corporation other than the person(s) designated in the Proxy**, who need not be a shareholder of the Company, to attend and act for you and on your behalf at the Meeting. To do so you must strike out the names of the persons named in the proxy as proxyholders and insert the name of that other person in the space provided in the Proxy or by completing and delivering another proper proxy and, in either case, delivering the completed Proxy to the office of the Company's Registrar and Transfer Agent, Computershare Trust Company of Canada, 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, BC V6C 3B9 at least 48 hours (excluding Saturdays and Sundays and Holidays) before the time of the meeting or adjournment thereof. Unregistered shareholders who receive the proxy through an intermediary must deliver the proxy in accordance with the instructions given by the intermediary.

#### **VOTING BY PROXYHOLDER**

The person(s) named in the Proxy will vote or withhold from voting the Grand Peak 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 Grand Peak Shares will be voted accordingly. The Proxy confers discretionary authority on the person(s) named therein with respect to:

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

As at the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

**In respect of a matter for which a choice is not specified in the Proxy, the person(s) named in the Proxy will vote the Grand Peak Shares represented by the Proxy for the approval of such matter.**

#### **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent Computershare Investor Services Inc. ("Computershare") by fax at 1-866-249-7775 or by mail to Proxy Department, 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9 not less than 48 hours (excluding weekends and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof.

#### **BENEFICIAL SHAREHOLDERS**

**The following information is of significant importance to shareholders who do not hold Common Shares in their own name.**

Beneficial Shareholders should note that the only proxies that can be recognized and acted upon at the Meeting are those deposited by registered shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares) or as set out in the following disclosure.

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

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

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

The Company is taking advantage of the provisions of National Instrument 54-101 "Communication with Beneficial Owners of Securities of a Reporting Issuer" that permit it to directly deliver proxy-related materials to its NOBOs. As a result NOBOs can expect to receive a scannable Voting Instruction Form ("VIF"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile. In addition, Computershare provides both telephone voting and internet voting as described on the VIF itself which contain complete instructions. Computershare will tabulate the results of the VIFs received from NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive."

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

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

Beneficial Shareholders who are OBOs should follow the instructions of their intermediary carefully to ensure that their Common Shares are voted at the Meeting

The form of proxy supplied to you by your broker will be similar to the proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the intermediary on how to vote your Common Shares on your behalf. Most brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("Broadridge") in the United States and in Canada. Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same persons as the Company's Proxy to represent your Common Shares at the Meeting. You have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than any of the persons designated in the VIF, to represent your Common Shares at the Meeting and that person may be you. To exercise this right, you should insert the name of the desired representative (which may be yourself) in the blank space provided in the

VIF. The completed VIF must then be returned to Broadridge by mail or facsimile or given to Broadridge by phone or over the internet, in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be

represented at the Meeting and the appointment of any shareholder's representative.

If you receive a VIF from Broadridge, the VIF must be completed and returned to Broadridge, in accordance with its instructions, well in advance of the Meeting in order to have your Common Shares voted or to have an alternate representative duly appointed to attend and to vote your Common Shares at the Meeting.

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

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

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

### **REVOCATION OF PROXIES**

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

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder's authorized attorney in writing, or if the Registered 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 or at the registered office of the Company at Suite 200 – 8338 120th Street, Surrey, British Columbia V3W 3N4, at any time up to and including the last Business Day that precedes the date of the Meeting or, if the Meeting is adjourned or postponed, the last Business Day that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder's Grand Peak Shares.

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

## **PART 2 - VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

### **OUTSTANDING GRAND PEAK SHARES**

The Company is authorized to issue an unlimited number of Grand Peak Shares; only one class of shares is entitled to vote at the meeting, namely Common shares. As of April 25, 2014 there were 24,466,702 Common Shares issued and outstanding, each carrying the right to one vote.

### **PRINCIPAL HOLDERS OF GRAND PEAK SHARES**

Only those common shareholders of record on April 25, 2014 will be entitled to vote at the Meeting or any adjournment thereof. To the knowledge of the directors and executive officers of the Company, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, Grand Peak Shares

carrying more than 10% of the voting rights attached to all outstanding Grand Peak Shares.

### **PART 3 - THE BUSINESS OF THE MEETING**

#### **FINANCIAL STATEMENTS**

The audited financial statements of the Company for the year ended September 30, 2013 will be placed before you at the Meeting. A copy of these financial statements, together with the auditor's reports thereon, and management's discussion and analysis, were mailed to those shareholders who indicated to the Company that they wished to receive same. These financial statements and MD&A are also available for review on SEDAR [www.sedar.com](http://www.sedar.com).

#### **ELECTION OF DIRECTORS**

Directors of the Company are elected for a term of one year. Management proposes to nominate the persons named under the heading "Nominees for Election" below for election as directors of the Company. Each director elected will hold office until the next annual general meeting or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or he becomes disqualified to act as a director.

It is proposed to fix the number of directors at three. This requires the approval of the shareholders of the Company by an ordinary resolution, which approval will be sought at the Meeting.

#### **NOMINEES FOR ELECTION**

The following information relating to the nominees for directors is based partly on the Company's records and partly on information received by the Company from said nominees, and sets forth the name and municipality of residence of each of the persons proposed to be nominated for election as a director, his principal occupation at present, all other positions and offices in the Company held by him, the year in which he was first elected a director, and the number of shares of the Company beneficially owned by him, directly or indirectly, or over which control or direction is exercised by him.

While management does not contemplate that the Nominees will be unable to serve as directors, if prior to the Meeting a vacancy occurs in the slate of such Nominees for any reason, the management representative(s) designated in the Proxy solicited in respect of the Meeting shall have the discretionary authority to vote for the election of any other person as director. Proxies received by the directors on which no designation is made will be voted for the Nominees for election as directors or any substitute nominee thereof as may be determined by management, if necessary.

The following table states the name of each person proposed to be nominated by management for election or re-election as a director, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company and the number of common shares of the Company beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

| Name, Municipality and Country of Residence and Position with the Company | Present Principal Occupation | Director Since | Number of Securities Beneficially Owned or over which Control or Direction is Exercised <sup>(1)</sup> |
|---------------------------------------------------------------------------|------------------------------|----------------|--------------------------------------------------------------------------------------------------------|
|---------------------------------------------------------------------------|------------------------------|----------------|--------------------------------------------------------------------------------------------------------|

|                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |     |
|-------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|-----|
| <b>Eugene Beukman</b><br><i>Director</i><br>Vancouver, BC<br>Canada     | Eugene Beukman is the Corporate Counsel of the Pender Group of Companies and has been such since 1994. He graduated from the Rand University of Johannesburg, South Africa with a Bachelor of Law Degree. Mr. Beukman is the President and CEO of Bard Ventures Ltd., a TSX.V company. He has over twenty-five years of experience in the acquisition of assets and joint ventures.                                                                                                                                                                                                                                                                                                          | 2012 | Nil |
| <b>Sonny Janda</b><br><i>Pres. &amp; CEO</i><br>Vancouver, BC<br>Canada | Management Consultant from 2008 to present Mr. Janda also holds a bachelor's Degree in Economics from Simon Fraser University.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 2010 | Nil |
| <b>Thomas Kennedy</b><br><i>Director,</i><br>Vancouver, BC<br>Canada    | Mr. Kennedy is a graduate of the University of British Columbia having received his Bachelor of Commerce & Business Administration degree in 1973 and his Juris Doctor degree in 1974. Mr. Kennedy was admitted to the British Columbia Bar in 1975 and has practiced law for 36 years. After 7 years of employment with the Canadian Federal Department of Justice, Mr. Kennedy has primarily focused as a legal, financial and business consultant to publicly-traded companies. Mr. Kennedy is currently a member of the Law Society of British Columbia, the Canadian Bar Association and the British Columbia Bar Association, and an Associate member of the American Bar Association. | 2008 | Nil |

The Company's management recommends that shareholders vote in favor of the nominees for election as directors.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of the three nominees as directors of the Company for the ensuing year.**

#### **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCY**

Save and except as set out below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- (b) was subject to an event that resulted, after the director or executive officer ceased to be director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) 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.

#### **PENALTIES OR SANCTIONS**

Save and except as set forth below, as of the date of this Information Circular, no proposed nominee for election as a director of the Company is, or has been, subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement



agreement with a Canadian securities regulatory authority or been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely to be considered important to a reasonable investor making an investment decision.

#### **PERSONAL BANKRUPTCY**

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

#### **CONFLICTS OF INTEREST**

The directors of the Company are required by law to act honestly and in good faith with a view to the best interest of the Company and to disclose any interests which they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his interest and abstain from voting on such matter. In determining whether or not the Company will participate in any project or opportunity, that directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Except as disclosed in this Information Circular, to the best of the Company's knowledge, there are no known existing or potential conflicts of interest among the Company and its promoters, directors, officers or other members of management as a result of their outside business interests except that certain of the directors, officers, promoters and other members of management may from time to time serve as directors, officers, promoters and members of management of other public companies, and therefore it is possible that a conflict may arise between their duties as a director, officer, promoter or member of management of such other companies.

#### **APPOINTMENT OF AUDITOR**

The Company's auditor for the year ending September 30, 2013 was A Chan & Company, a Division of ACAL Group, Chartered Accountants.

The Company's management recommends that shareholders vote in favor of the re-appointment of A Chan & Company, Chartered Accountants, as the Company's auditor for the ensuing year and in favor of granting the directors the authority to determine the remuneration to be paid to the auditor.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the appointment of a A Chan & Company, Chartered Accountants as the auditor of the Company until the close of the next annual meeting and also intend to vote FOR the proposed resolution to authorize the board of directors to fix the remuneration to be paid to the auditor.**

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

Policy 4.4 of the TSX Venture Exchange (the "Exchange") specifies that all listed issuers must implement a stock option plan. The Company's Stock Option Plan, is a "rolling" plan as characterized by Exchange policy reserving a maximum of 10% of the issued shares of the Issuer at the time of the stock option grant. Exchange policy requires that shareholder approval for "rolling" stock option plans must be obtained annually.

The principal purposes of the Company's stock option plan are to provide the Company with the advantages of the incentive inherent in share ownership on the part of those persons responsible for the success of the Company; to create in those persons a proprietary interest in, and a greater concern for, the welfare and success of the Company; to encourage such persons to remain with the Company, to attract new talent to the Company and to reduce the cash compensation the Company would otherwise have to pay. The directors of Grand Peak established the Stock Option Plan as a rolling stock option plan in accordance with the policies of the Exchange. The maximum number of Grand Peak Shares reserved for issuance under the Stock Option Plan is 10% of the issued and outstanding Grand Peak Shares on a "rolling" basis. As at April 25, 2014 there are 24,466,702 issued Grand Peak Shares such that the Stock Option Plan has 2,446,670 Grand Peak Shares allotted to it. The Grand Peak

Stock Option Plan will be administered by the board of directors of Grand Peak (in this section, the "**Grand Peak Board**") or, if determined by the Grand Peak Board, by a committee of the Grand Peak Board (in this section, the "**Committee**").

The following is a brief description of the principal terms of the Stock Option Plan, which description is qualified in its entirety by the terms of the Grand Peak Stock Option Plan:

1. The maximum number of Grand Peak Shares that may be reserved for issuance of stock options ("**Grand Peak Options**") granted under the Stock Option Plan will not exceed 10% of the issued Grand Peak Shares as at the date of the grant of any Grand Peak Option.
2. The exercise price of the Grand Peak Options, as determined by the Grand Peak Board or the Committee, will not be less than the closing price of the Grand Peak Shares on the Exchange on the trading day prior to the date of grant of Grand Peak Options.
3. Grand Peak Options under the Stock Option Plan may be granted by the Grand Peak Board or the Committee to:
  - (a) senior officers, directors or employees of Grand Peak or an affiliate of Grand Peak;
  - (b) consultants (other than an employee or director of Grand Peak) providing consulting,
  - (c) technical, management or other services to Grand Peak, or a consultant company excluding (unless an exemption from prospectus requirements is available under applicable securities laws) a consultant providing investor relations services; and
  - (d) an employee of a company providing management services to Grand Peak, which management services are required for the ongoing successful operation of the business enterprise of Grand Peak but excluding a person engaged in investor relations activities.
4. The aggregate number of Grand Peak Shares that may be reserved for issuance under the Stock Option Plan is restricted as follows:
  - (a) the aggregate number of Grand Peak Shares that may be reserved for issuance for a Grand Peak Option to one individual in a 12 month period must not exceed 5% of the issued Grand Peak Shares at the time of grant of the Grand Peak Option;
  - (b) the aggregate number of Grand Peak Shares subject to a Grand Peak Option granted to a consultant in a 12 month period must not exceed 2% of the issued Grand Peak Shares at the time of grant of the Grand Peak Option; and
  - (c) the aggregate number of Grand Peak Shares subject to Grand Peak Options granted to employees involved in investor relations activities must not exceed 2% of the issued Grand Peak Shares in any 12 month period at the time of grant of the Grand Peak Options.
5. The term for exercise of Grand Peak Options is a maximum of ten years from the date of grant.
6. All Grand Peak Options will be non—assignable and non—transferable except as between an optionee and a wholly—owned personal corporation, with the consent of the Exchange.

**The Board unanimously recommends that shareholders vote FOR the Grand Peak Option Plan Resolution.**

At the Meeting, the shareholders will be asked to consider, and if deemed advisable, to pass the following resolution:

**“BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:**

1. the Company’s Stock Option Plan, as set out in the Company’s Information Circular dated April 25,

2014 be and the same is hereby adopted and approved and that the directors of the Company be and are hereby authorized to make such amendments or revisions to the Stock Option Plan from time to time, without further shareholder approval, as may be required by the TSX Venture Exchange or any other stock exchange upon which the Company's shares may be listed for trading in order to cause the Stock Option Plan to fully comply with the requirements of the TSX Venture Exchange or such other exchange and to fully carry out this resolution;

2. all options to acquire common shares of the Company previously issued by the Company to directors, officers, employees and consultants of the Company or any subsidiary of the Company and currently outstanding shall be deemed to have been granted and issued under the Stock Option Plan and otherwise be governed by the terms and conditions of the Stock Option Plan, subject to the specific terms and conditions as to exercise price, vesting periods, if any, and expiry dates as are currently applicable to such options; and

3. the reservation under the Stock Option Plan of up to a maximum of 10% of the issued shares of the Company, on a rolling basis, as at the time of granting of the stock option pursuant to the Stock Option Plan be and the same is hereby authorized and approved.”

The Company's management recommends that shareholders vote in favor of the resolution to ratify and approve the Stock Option Plan.

**Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval and ratification of the Stock Option Plan.**

#### **PART 4 – COMPENSATION DISCUSSION AND ANALYSIS**

The Board's compensation philosophy is aimed at attracting and retaining quality and experienced people with established records in managing and maintaining public companies which is critical to the success of the Company. These key persons create the framework for future success and later will share in any success of the Company. Such a reward system supports the Company's commitment to delivering strong performance for the Shareholders.

At the present time the Company does not have a compensation program in place for its Named Executive Officers or directors, as is evidenced by the Summary Compensation Table and the Company does not have any arrangement with its directors for payment of compensation either pursuant to a contract or on a fee for service basis.

Grand Peak has a formalized stock option plan for the granting of incentive stock options to the officers, employees, consultants and Directors. Directors are entitled to participate in the Stock Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of each individual director's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Company.

During the most recently completed financial year no stock options were granted. During the most recently completed financial year no stock options were exercised. During the most recently completed financial year no stock options were cancelled. In the year ended September 30, 2013 no compensation was paid to the directors of the Company.

The directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. They may receive cash bonuses from time to time which the Company awards to directors for serving in their capacity as a member of the board. Executive officers who also act as directors of the Company do not receive any additional compensation for services rendered in their capacity as directors.

#### **COMPENSATION OF NAMED EXECUTIVE OFFICERS**

As defined under applicable securities legislation, the Company had the following "Named Executive Officers" during the financial year ended September 30, 2013 as set out below:

Sonny Janda - Chief Executive Officer

Jamie Lewin - Chief Financial Officer

The following table sets out the compensation for the Executive Officers of Grand Peak for financial year ended September 30, 2013, and the previous two fiscal years. These individuals are collectively referred to as “Named Executive Officers” or “NEOs”.

**SUMMARY COMPENSATION TABLE**

| Name                  | Year | Salary<br>(\$) | Share-based<br>awards<br>(\$) | Option-based<br>awards<br>(\$) | Non-equity incentive<br>plan compensation |                                         | Pension<br>value<br>(\$) | All<br>Other<br>Compensation<br>(\$) | Total<br>(\$) |
|-----------------------|------|----------------|-------------------------------|--------------------------------|-------------------------------------------|-----------------------------------------|--------------------------|--------------------------------------|---------------|
|                       |      |                |                               |                                | Annual<br>incentive<br>plans<br>(\$)      | Long term<br>incentive<br>plans<br>(\$) |                          |                                      |               |
| Sonny<br>Janda<br>CEO | 2013 | Nil            | Nil                           | Nil                            | Nil                                       | Nil                                     | Nil                      | Nil                                  | Nil           |
|                       | 2012 | Nil            | Nil                           | Nil                            | Nil                                       | Nil                                     | Nil                      | Nil                                  | Nil           |
|                       | 2011 | Nil            | Nil                           | Nil                            | Nil                                       | Nil                                     | Nil                      | Nil                                  | Nil           |
| Jamie<br>Lewin<br>CFO | 2013 | Nil            | Nil                           | Nil                            | Nil                                       | Nil                                     | Nil                      | Nil                                  | 3,990         |
|                       | 2012 | Nil            | Nil                           | Nil                            | Nil                                       | Nil                                     | Nil                      | Nil                                  | 4,270         |
|                       | 2011 | Nil            | Nil                           | Nil                            | Nil                                       | Nil                                     | Nil                      | Nil                                  | 9,110         |

**LONG TERM INCENTIVE PLAN AWARDS**

Grand Peak does not have a Long Term Incentive Plan, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance over a period greater than one financial year (whereby performance is measured by reference to financial performance or the price of Grand Peak' securities) was paid to any Named Executive Officers during the most recently completed financial year.

**OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS**

The Company did not grant any options during the year nor were any options exercised.

| Name                  | Option-based Awards                                                    |                                  |                           |                                                            | Share-based Awards                                                          |                                                                                          |
|-----------------------|------------------------------------------------------------------------|----------------------------------|---------------------------|------------------------------------------------------------|-----------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
|                       | Number of<br>securities<br>underlying<br>unexercised<br>options<br>(#) | Option<br>exercise price<br>(\$) | Option<br>expiration date | Value of<br>unexercised<br>in-the-money<br>options<br>(\$) | Number of<br>shares or units<br>of shares that<br>have not<br>vested<br>(#) | Market or<br>payout value<br>of share-based<br>awards that<br>have not<br>vested<br>(\$) |
| Sonny Janda<br>CEO    | Nil                                                                    | N/A                              | N/A                       | Nil                                                        | Nil                                                                         | Nil                                                                                      |
| Jamie<br>Lewin<br>CFO | Nil                                                                    | N/A                              | N/A                       | Nil                                                        | Nil                                                                         | Nil                                                                                      |

**INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR**

The Company did not issue any shares or grant any options during the year.

| Name            | Option-based awards – Value<br>vested during the year<br>(\$) | Share-based awards – Value<br>vested during the year<br>(\$) | Non-equity incentive plan<br>compensation – Value earned<br>during the year<br>(\$) |
|-----------------|---------------------------------------------------------------|--------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Sonny Janda CEO | Nil                                                           | Nil                                                          | Nil                                                                                 |

|                    |     |     |     |
|--------------------|-----|-----|-----|
| Jamie Lewin<br>CFO | Nil | Nil | Nil |
|--------------------|-----|-----|-----|

**STOCK APPRECIATION RIGHTS (“SAR”) GRANTS  
DURING THE MOST RECENTLY COMPLETED FINANCIAL YEAR**

Grand Peak does not have a “Stock Appreciation Rights” program.

**PENSION PLAN BENEFITS**

Grand Peak does not have any pension, retirement or deferred compensation plans, including defined contribution plans.

**RESTRICTED SHARES**

There are no restricted shares or restricted share units issued or outstanding.

**TERMINATION AND CHANGE OF CONTROL BENEFITS**

The Company has not entered into any compensatory plans, contracts or arrangements with any of its Named Executive Officers whereby such officers are entitled to receive compensation as a result of the resignation, retirement or any other termination of employment of the Named Executive Officer with the Company or from a change in control of the Company or a change in the Named Executive Officer’s responsibilities following a change in control.

**REMUNERATION OF MANAGEMENT AND OTHERS**

As at the year ended September 30, 2013, the following amounts from (due to) related parties are:

\$3,990.00 for professional services was paid to the CFO – see “Summary Table” above.

**PART 5 – SECURITIES AUTHORIZED FOR ISSUANCE  
UNDER EQUITY COMPENSATION PLANS**

The shareholders of the Company have adopted the Stock Option Plan for its directors, officers, employees and consultants. The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire Grand Peak Shares thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs. The Stock Option Plan provides that options to purchase Grand Peak Shares may be granted to eligible persons on terms determined within the limitations set out in the Stock Option Plan. The maximum number of Grand Peak Shares to be reserved for issuance at any one time under the Stock Option Plan and any other employee incentive plan is ten (10%) percent of the issued and outstanding Grand Peak Shares. As at the date hereof, an aggregate of 2,446,670 common shares are available for issuance under the Stock Option Plan. The Stock Option Plan is subject to the rules and policies of the Exchange, including the requirement for annual shareholder approval.

As of the date hereof, there were no options outstanding under the Stock Option Plan.

**PART 6 – AUDIT COMMITTEE**

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

**THE AUDIT COMMITTEE CHARTER**

The Company's audit committee is governed by an audit committee charter, the text of which is attached as Schedule "A" to this Information Circular

**COMPOSITION OF AUDIT COMMITTEE**

The Company's Audit Committee members are Eugene Beukman, Sonny Janda and Thomas Kennedy, of which Eugene Beukman and Thomas Kennedy are considered "independent" as that term is defined in applicable securities legislation.

All three audit committee members have the ability to read and understand financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and are therefore considered "financially literate".

**RELEVANT EDUCATION AND EXPERIENCE**

All of the audit Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

**AUDIT COMMITTEE OVERSIGHT**

Since the commencement of the Company's most recently completed financial year ended September 30, 2012, the board of directors has not failed to adopt a recommendation of the audit committee to nominate or compensate an external auditor.

**RELIANCE ON CERTAIN EXEMPTIONS**

The Company is not relying on the exemptions contained in sections 2.4 or 8 of NI 52-110.

**PRE-APPROVAL POLICIES AND PROCEDURES**

The audit committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter attached as Schedule "A" to this Information Circular.

**EXTERNAL AUDIT SERVICE FEES (BY CATEGORY)**

In the following table, "audit fees" are fees billed by the Company's external auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The fees paid by the Company to its external auditor for services rendered to the Company in each of the last two fiscal years, by category, are as follows:

| <b>Financial Year Ending</b> | <b>Audit Fees</b> | <b>Audit Related Fees</b> | <b>Tax Fees<sup>(1)</sup></b> | <b>All Other Fees</b> |
|------------------------------|-------------------|---------------------------|-------------------------------|-----------------------|
| 2013                         | \$13,800          | Nil                       | Nil                           | Nil                   |
| 2012                         | \$15,000          | Nil                       | Nil                           | Nil                   |

(1) Fees billed for professional services rendered by the Company's external auditors for tax compliance.

**EXEMPTION**

The Company is relying on the exemption provided by section 6.1 of NI 52-110, which provides that the Company, as 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.

**PART 7 – CORPORATE GOVERNANCE**

Corporate governance relates to the activities of the board of directors of the Company (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. The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company.

National Policy 58-201 *Corporate Governance Guidelines* (“**NP 58-201**”) establishes corporate governance guidelines, which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 *Disclosure of Corporate Governance Practices*

(“**NI 58-101**”) also requires the Company to disclose annually in its Information Circular certain information concerning its corporate governance practices. As a “venture issuer” the Company is required to make such disclosure with reference to the requirements of Form 58-101F2, which disclosure is set forth below.

**BOARD OF DIRECTORS**

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under 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, Sonny Janda, as CEO of the Company, is an “inside” or management director and accordingly is considered “non-independent”. On the other hand, Thomas Kennedy and Eugene Beukman are outside directors, and as such are considered independent.

**MANDATE OF THE BOARD**

The mandate of the Board is to manage or supervise the management of the business and affairs of the Company and to act with a view to the best interests of the Company. In doing so, the Board oversees the management of the Company’s affairs directly and through its committees (see “Committees of the Board of Directors” below). In fulfilling its mandate, the Board, among other matters, is responsible for reviewing and approving the Company’s overall business strategies; reviewing major strategic initiatives to ensure that the Company’s proposed actions accord with shareholder objectives; reviewing succession planning; assessing management’s performance; reviewing and approving the reports and other disclosure issued to shareholders; ensuring the effective operation of the Board; and safeguarding shareholders’ equity interests through the optimum utilization of the Company’s capital resources. The Board also takes responsibility for identifying the principal risks of the Company’s business and for ensuring these risks are effectively monitored and mitigated to the extent reasonably practicable. At this stage of the Company’s development, the Board does not believe it is necessary to adopt a written mandate, as sufficient guidance is found in the applicable corporate and securities legislation and regulatory policies.

In keeping with its overall responsibility for the stewardship of the Company, the Board is also responsible for the integrity of the Company’s internal control and management information systems and for the Company’s policies respecting corporate disclosure and communications.

The Board delegates to management, through the President and Chief Financial Officer, responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Company’s business in the ordinary course, managing the Company’s cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements. The Board also looks to management to

furnish recommendations respecting corporate objectives, long-term strategic plans and annual operating plans.

#### **DIRECTORSHIPS**

|                                                           |                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Thomas Kennedy</b><br><i>Director</i><br>Vancouver, BC | Blind Creek Resources Ltd., Golden Cross Resources Inc., M.E Resource Corp., Acadia Resources Corp., Alda Pharmaceuticals Corp., Maxtech Ventures Inc., Meadow Bay Gold Corporation, Silver Pursuit Resources Ltd., Simba Gold Corp., Urastar Gold Corp. |
| <b>Sonny Janda</b><br><i>Director</i><br>Vancouver, BC    | Lucky Minerals Inc., Desert Gold Ventures Inc., Acana Capital Corp., Orofino Minerals Inc., Grenville Gold Corp.                                                                                                                                         |
| <b>Eugene Beukman</b><br><i>Director</i><br>Vancouver, BC | Bard Ventures Ltd., Acana Capital Corp., Innovative Properties Inc., Orofino Minerals Inc., Burnstone Ventures Inc., Anergy Capital Inc., Beatrix Ventures Inc., Alda Pharmaceuticals Corp.                                                              |

#### **ETHICAL BUSINESS CONDUCT**

The Board of Directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

However, to date, the Board has not adopted a formal written Code of Business Conduct and Ethics. The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate and securities legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company and its shareholders.

#### **NOMINATION AND ASSESSMENT**

Given its current size, the Board has not appointed a nominating committee; these functions are currently performed by the Board as a whole. Nominees are generally the result of recruitment efforts by Board members, including both formal and informal discussions among Board members and the President, and proposed directors' credentials are reviewed in advance of a Board meeting with one or more members of the Board prior to the proposed director's nomination.

New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. However, there is no formal orientation for new members of the Board, and this is considered to be appropriate, given the Company's size and current operations.

The skills and knowledge of the Board of Directors as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies. Board members are encouraged to communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Company's records.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Company's current size, its stage of development and the limited number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board plans to continue evaluating its own effectiveness and the effectiveness and contribution of its committees or individual directors on an ad hoc basis.

#### **COMMITTEES OF THE BOARD OF DIRECTORS**

At the present time, the Board of Directors of the Company has only an audit committee. The Company's



Audit Committee members are Eugene Beukman, Sonny Janda and Thomas Kennedy, and is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting of the Company, as well as internal controls to achieve the objectives of safeguarding the Company's assets; reliability of information; and compliance with policies and laws.

As the Company grows, and its operations and management structure become more complex, the Board will likely find it appropriate to constitute additional standing committees, such as a Governance and Ethics Committee, a Compensation Committee and a Nominating Committee, and to ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

The board of directors not adopted standard fees to be paid to the Company's non-management directors for their services, but may grant incentive stock options from time to time.

## **PART 8 – OTHER INFORMATION**

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

Since the beginning of the most recently completed financial year ended September 30, 2012 and as at the date of this Information Circular, no director, executive officer or employee or former director, executive officer or employee of the Company, nor any nominee for election as a director of the Company, nor any associate of any such person, was indebted to the Company during the most recently completed financial year ended September 30, 2012, for other than "routine indebtedness", as that term is defined by applicable securities law; nor was any indebtedness to another entity the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company.

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

None of the directors or executive officers of the Company, no proposed nominee for election as a director of the Company, none of the persons who have been directors or executive officers of the Company since the commencement of the Company's last completed financial year, none of the other insiders of the Company and no associate or affiliate of any of the foregoing persons has any substantial interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of the directors, the approval of the Stock Option Plan and the authorization for the granting of stock options thereunder.

### **MANAGEMENT CONTRACTS**

The management functions of the Company are performed by its directors and executive officers and the Company has no management agreements or arrangements under which such management functions are performed by persons other than the directors and executive officers of the Company. See Part 4 "EXECUTIVE COMPENSATION" for details of the fees paid to the Company's Named Executive Officer.

### **OTHER MATTERS**

Management of Grand Peak is not aware of any other matters to come before the annual general meeting other than as set forth in the Notice of Annual General Meeting that accompanies this Information Circular. 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.

### **OTHER MATERIAL FACTS**

There are no other material facts other than as disclosed herein.

### **LEGAL PROCEEDINGS**

There are no pending legal proceedings to which the Company is or is likely to be a party or which any of its properties or business interests are, or, to the best knowledge of management of the Company, likely to be the subject of.

**ADDITIONAL INFORMATION**

Financial information about Grand Peak is contained in its comparative financial statements and Management's Discussion and Analysis for the fiscal years ended September 2012 and September 30, 2013, and additional information relating to Grand Peak is on SEDAR at [www.sedar.com](http://www.sedar.com).

**TRANSFER AGENT AND REGISTRAR**

Grand Peak's registrar and transfer agent is Computershare Trust Company of Canada, 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

DATED this 25th day of April, 2014

**GRAND PEAK CAPITAL CORP.**

By: "Sonny Janda"  
Sonny Janda  
President and Chief Executive Officer

## SCHEDULE A

### AUDIT COMMITTEE CHARTER GRAND PEAK CAPITAL CORP. (the Company”)

The Audit Committee is appointed by the Company's Board to assist the Board in monitoring: (1) the integrity of the financial statements of the Company; (2) the compliance by the Company with legal and regulatory requirements; and (3) the independence and performance of the Company's external auditors, which external auditors shall report directly to the Audit Committee.

The members of the Audit Committee shall meet the independence and experience requirements of applicable securities laws and any exchange or quotation system upon which the Company's securities are listed or quoted. The members of the Audit Committee shall be appointed by the Board.

The Audit Committee shall have the authority to retain independent legal, accounting or other consultants to advise the Committee as the Audit Committee determines necessary to carry out its duties and the Audit Committee shall have the authority to set and pay the compensation for any such advisors. The Audit Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Audit Committee or to meet with any members of, or consultants to, the Audit Committee.

The Audit Committee shall make regular reports to the Board.

The Audit Committee shall:

1. Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board for approval.
2. Review the annual audited financial statements, the interim financial statements, management's discussion and analysis with management and annual and interim earnings press releases, including major issues regarding accounting and auditing principles and practices as well as the adequacy of internal controls that could significantly affect the Company's financial statements. Such review must occur prior to the Company publicly disclosing any such information.
3. Ensure 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.
4. Review an analysis prepared by management and the independent auditor of significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including an analysis of the effect of alternative GAAP methods on the Company's financial statements.
5. Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
6. Meet with management to review the Company's major financial risk exposures and the Company's internal controls.

7. Review major changes to the Company's internal controls and accounting principles and practices as suggested by the independent auditor, internal accounting or financial personnel or management.
8. Recommend to the Board the nomination and appointment of the independent auditor for the purposes of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, which independent auditor is ultimately accountable to the Audit Committee and the Board.
9. Review the experience and qualifications of the senior members of the independent auditor team, the audit procedures of the independent auditor and the rotation of the lead partner and reviewing partner of the independent auditor.
10. Approve the compensation to be paid to the independent auditor for audit services.
11. Pre-approve the retention of the independent auditor for all audit and any non-audit services, including tax services, and the fees for such non-audit services which are provided to the Company or its subsidiary entities.
12. Receive periodic reports from the independent auditor regarding the auditor's independence, discuss such reports with the auditor, consider whether the provision of non-audit services is compatible with maintaining the auditor's independence and, if so determined by the Audit Committee, recommend that the Board take appropriate action to satisfy itself of the independence of the auditor.
13. Evaluate together with the Board the performance of the independent auditor. If so determined by the Audit Committee, recommend that the Board replace the independent auditor.
14. Recommend to the Board guidelines for the Company's hiring of partners, employees and former partners and employees of the present and former independent auditor who were engaged on the Company's account.
15. Review the significant reports to management pertaining to the presentation and significant accounting policies of the Company's financial statements.
16. Obtain reports from management, the Company's senior accounting and financial personnel and the independent auditor that the Company and its subsidiaries are in conformity with applicable legal requirements, including disclosures of insider and affiliated party transactions.
17. Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee or anonymous complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies.
18. Review with the independent auditor any problems or difficulties the auditor may have encountered and any disagreements between the independent auditor and management of the Company and any management letter provided by the auditor and the Company's response to that letter. Such review should include:
  - (a) Any difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or access to required information, and any disagreements with management;
  - (b) The internal accounting and financial responsibilities; and
  - (c) The investigation and implementation of the resolution of any disagreement between

the independent auditor and the management of the Company .

19. Advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations.
20. Meet at least quarterly with the Chief Financial Officer and the independent auditor in separate executive sessions.
21. Establish a procedure for:
  - (a) The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - (b) The confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate and are in accordance with Canadian generally accepted accounting principles. This is the responsibility of management and the independent auditor. Nor is it the duty of the Audit Committee to conduct investigations, to resolve disagreements, if any, between management and the independent auditor or to assure compliance with laws and regulations.