



**SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON MAY 15, 2019**

**NOTICE OF MEETING AND  
MANAGEMENT PROXY AND INFORMATION CIRCULAR**

*THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY THE MANAGEMENT OF BLACKHAWK RESOURCE CORP. OF PROXIES TO BE VOTED AT THE SPECIAL MEETING OF SHAREHOLDERS OF BLACKHAWK RESOURCE CORP. TO BE HELD ON FRIDAY, MAY 15, 2019.*

**TO BE HELD AT:**

**1000, 250 - 2<sup>nd</sup> Street S.W.  
Livingston Place  
Calgary, Alberta**

**at 1:00 p.m.**

**Dated: April 15, 2019**

**BLACKHAWK RESOURCE CORP.**

**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON MAY 15, 2019**

**NOTICE IS HEREBY GIVEN THAT AN SPECIAL MEETING** (the “**Meeting**”) of holders of common shares (“**Common Shares**”) of Blackhawk Resource Corp. (the “**Corporation**”) will be held at 1000, 250 - 2<sup>nd</sup> Street S.W., Livingston Place, Calgary, Alberta, at 1:00 p.m., on Wednesday, May 15, 2019 for the following purposes:

1. to approve the reduction of the stated capital of the common shares of the Corporation;
2. to approve a further reduction in the stated capital of the common shares of the Corporation by an amount equal to up to \$4,795,500, for the purpose of effecting a special distribution to shareholders as a return of capital, either in cash, or property; and
3. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

DATED this 15<sup>th</sup> day of April, 2019.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“David Antony”*

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David Antony

Chief Executive Officer and Director

**IMPORTANT**

**It is desirable that as many shares as possible be represented at the Meeting. If you do not expect to attend and would like your Common Shares represented, please complete the enclosed instrument of proxy and return it as soon as possible in the envelope provided for that purpose. A proxy will not be valid unless it is deposited with our transfer agent Computershare Trust Company of Canada, (i) by mail using the enclosed return envelope or (ii) by hand delivery to 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed form of proxy.**

## GLOSSARY OF DEFINED TERMS

The following is a glossary of certain terms used in this Circular including the Summary and schedules attached hereto. Terms and abbreviations used in the Summary and schedules to this Circular may be defined separately and any subsequent definitions and abbreviations shall supersede the following definitions and abbreviations for the purposes of the Summary and schedules they are subsequently defined in.

- (a) “**ABCA**” means the *Business Corporations Act* (Alberta), as may be amended or replaced from time to time;
- (b) “**Board**” means the board of directors of the Corporation;
- (c) “**Circular**” means this management information circular of the Corporation dated as at April 15, 2019;
- (d) “**Common Shares**” means the common shares in the capital of the Corporation;
- (e) “**Corporation**” means Blackhawk Resource Corp.;
- (f) “**Meeting**” means the special meeting of the shareholders of the Corporation to be held on May 15, 2019 at 1:00 p.m. (Calgary time);
- (g) “**Notice of Meeting**” means the notice of the Meeting of the Corporation dated April 15, 2019, which accompanies this Circular; and
- (h) “**Record Date**” means April 15, 2019, being the date set for determining which shareholders of the Corporation are entitled to receive notice of and vote at the Meeting.

Words importing the singular include the plurals and vice versa and words importing any gender include all genders. All references in this Circular to “dollars” or “\$” are to Canadian dollars.

**BLACKHAWK RESOURCE CORP. MANAGEMENT INFORMATION CIRCULAR**  
**SOLICITATION OF PROXIES**

**THIS MANAGEMENT INFORMATION CIRCULAR (“CIRCULAR”) IS PROVIDED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF BLACKHAWK RESOURCE CORP. (THE “CORPORATION”)** of proxies from the holders of common shares (“Common Shares”) for the special meeting of the shareholders of the Corporation (the “Meeting”) to be held on Wednesday, May 15, 2019 at 1:00 p.m. at 1000, 250 - 2<sup>nd</sup> Street S.W., Livingston Place, Calgary, Alberta, or at any adjournment thereof for the purposes set out in the accompanying notice of meeting (“Notice of Meeting”).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 — *Communication with Beneficial Owners of Securities of a Reporting Issuer*, arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to Beneficial Shareholders (as defined below) held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

**APPOINTMENT AND REVOCATION OF PROXIES**

**The persons named (the “Management Designees”) in the enclosed instrument of proxy (“Instrument of Proxy”) have been selected by the directors of the Corporation and have indicated their willingness to represent as proxy the shareholder who appoints them. A shareholder has the right to designate a person (whom need not be a shareholder) other than the Management Designees to represent him or her at the Meeting.** Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy the name of the person to be designated and by deleting therefrom the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the transfer agent of the Corporation. Such shareholder should notify the nominee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the shareholder's shares are to be voted. The nominee should bring personal identification with him to the Meeting. In any case, the form of proxy should be dated and executed by the shareholder or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form). In addition, a proxy may be revoked by a shareholder personally attending at the Meeting and voting his shares.

A proxy will not be valid unless it is deposited with our transfer agent Computershare Trust Company of Canada, (i) by mail using the enclosed return envelope or (ii) by hand delivery to 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1. Alternatively, you may vote by telephone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America) or by internet using the 15 digit control number located at the bottom of your proxy at [www.investorvote.com](http://www.investorvote.com). All instructions are listed in the enclosed form of proxy. Your proxy or voting instructions must be received in each case no later than 1:00 p.m. on January 2, 2019 or, if the Meeting is adjourned, 48 hours (excluding Saturdays and holidays) before the beginning of any adjournment of the Meeting. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the shareholder or by his authorized attorney in writing, or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with Computershare Trust Company of Canada, 8<sup>th</sup> Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or any

adjournment thereof. In addition, a proxy may be revoked by the shareholder personally attending the Meeting and voting his shares.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name.** Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation's registrar and transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, *not* be registered in the shareholder's name. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities, which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker's client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered shareholders by the Corporation. However, its purpose is limited to instructing the registered shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Common Shares directly at the Meeting. The voting instruction forms must be returned to Broadridge (or instructions respecting the voting of Common Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

The Corporation will be delivering proxy-related materials to non-objecting beneficial owners of the Common Shares directly with the assistance of Broadridge. The Corporation intends to pay for intermediaries to deliver proxy-related materials to objecting beneficial owners of the Common Shares.

All references to shareholders in this Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered shareholders unless specifically stated otherwise.

### **VOTING OF PROXIES**

Each shareholder may instruct his proxy how to vote his Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting (including the voting on any ballot), and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

**The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, the Corporation is not aware of any amendments to, variations of or other matters that may come before the Meeting. In the event that other matters come before the Meeting, the Management Designees intend to vote in accordance with the judgment of management of the Corporation.**

### **QUORUM**

The by-laws of the Corporation provide that a quorum of shareholders is present at a meeting of shareholders of the Corporation if at least two (2) persons are present in person or by proxy, each of whom is entitled to vote at the meeting, and who holds or represents by proxy not less than five (5%) percent of the shares entitled to vote at the meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at the effective date of this Circular (the “**Effective Date**”), which is April 15, 2019, the Corporation has 41,196,374 Common Shares issued and outstanding. There are no other shares of any class issued and outstanding. The Common Shares are the only shares entitled to be voted at the Meeting, and holders of Common Shares are entitled to one (1) vote for each Common Share held.

Holders of Common Shares of record at the close of business on April 15, 2019 (the “**Record Date**”) are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share held except to the extent that, (a) the holder has transferred the ownership of any of his Common Shares after the Record Date, and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he owns the Common Shares, and demands not later than 10 days before the day of the Meeting that his name be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his Common Shares at the Meeting.

To the knowledge of the directors and the executive officers of the Corporation, as at the Effective Date, no person or company beneficially owns, directly or indirectly, or controls or directs, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation.

### **DOCUMENTS INCORPORATED BY REFERENCE**

Information has been incorporated by reference in this Circular from documents filed by the Corporation with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Chief Financial Officer of the Corporation located at Suite

650, 816 - 7th Avenue S.W., Calgary, Alberta T2P 1A1, Attn: Chief Financial Officer. In addition, copies of the documents incorporated by reference may be obtained from the securities commissions or similar authorities in Canada through the Corporation's profile at [www.sedar.com](http://www.sedar.com).

The following documents of the Corporation are specifically incorporated by reference in this Circular:

1. Notice of Meeting and Management Proxy and Information Circular dated December 5, 2018 and filed on SEDAR on December 18, 2018 (“**2018 Circular**”); and
2. CSE Form 2A Listing Statement dated March 4, 2019 and filed on SEDAR on March 4, 2019.

Any documents of the type required by National Instrument 44-101 – Short Form Prospectus Distributions to be incorporated by reference in a short form prospectus, including any annual information form, annual financial statements and the auditors' report thereon, interim financial statements, management's discussion and analysis of financial conditions and results of operations, material change report (except a confidential material change report), business acquisition report and information circular, filed by the Corporation after the date of this Circular and before the Meeting are deemed to be incorporated by reference in this Circular.

Any statement contained in this Circular or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this Circular to the extent that a statement contained in this Circular or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference into this Circular modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this Circular.

#### **EXECUTIVE COMPENSATION**

For additional information, please review the disclosure required by Form 51-102F6, Statement Of Executive Compensation For The Fiscal Year Ended June 30, 2018 contained in the 2018 Circular dated December 5, 2018 available on the SEDAR website at [www.sedar.com](http://www.sedar.com) (which is incorporated by reference herein).

#### **DIRECTOR COMPENSATION**

For additional information, please review the disclosure required by Form 51-102F6, Statement Of Executive Compensation For The Fiscal Year Ended June 30, 2018 contained in the 2018 Circular dated December 5, 2018 available on the SEDAR website at [www.sedar.com](http://www.sedar.com) (which is incorporated by reference herein).

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

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants and rights</b>	<b>Weighted average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for issuance under equity compensation plans (excluding outstanding securities reflected in Column 1)<sup>(1)</sup></b>
Equity compensation plans approved by securityholders	2,400,000 Common Shares	\$0.10	1,719,637 Common Shares
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	<b>2,400,000 Common Shares</b>	<b>\$0.10</b>	<b>1,719,637 Common Shares</b>

**Note:**

- (1) The aggregate number of Common Shares that may be reserved for issuance under the Plan shall not exceed 10% of the Corporation's issued and outstanding Common Shares. As at June 30, 2018, the number of Common Shares issued and outstanding was 41,196,374.

**MANAGEMENT CONTRACTS**

During the most recently completed financial year, no management functions of the Corporation were to any substantial degree performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Corporation.

**INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

No director, executive officer, employee or former director, executive officer or employee of the Corporation or its subsidiaries nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to the Corporation or its subsidiaries nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by the Corporation except as disclosed in the audited financial statements.

**INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set forth herein or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation.

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

Other than as set forth herein, or as previously disclosed, the Corporation is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any shareholder holding more than 10% of the voting rights attached to the Common Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed or ongoing transaction of the Corporation which has or will materially affect the Corporation or its subsidiaries.



## PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

### **Reduction of Stated Capital**

At the Meeting, as a matter of housekeeping, shareholders will be asked to consider and, if deemed advisable, to approve by way of special resolution, a reduction of the stated capital account of the Common Shares by up to \$180,136.75. If approved, the stated capital reduction will be effective as of May 15, 2019. A corporation is required to maintain a stated capital account for each class of shares that it issues and to add to that account the full amount of consideration that it receives for the shares that it has issued. In addition, a corporation is restricted from declaring and paying dividends on its shares and repurchasing its shares unless it can meet certain financial tests, including that there are reasonable grounds for believing that, after giving effect to the payment of the dividend or repurchase of shares, the realizable value of the corporation's assets would be more than the aggregate of its liabilities and stated capital. The reduction in stated capital will not result in any change to shareholders' equity as presented in the Corporation's financial statements and therefore will not affect the Corporation's book value. The reduction of stated capital will also have no impact on the day-to-day operations of the Corporation and will not, on its own, alter the financial condition of the Corporation.

The Board believes that the reduction of stated capital will benefit the Corporation on a go-forward basis by providing more flexibility in managing the Corporation's capital structure, including our ability to pay dividends and repurchase Common Shares.

### ***Canadian Federal Income Tax Consequences***

**THE FOLLOWING IS A SUMMARY OF CERTAIN CANADIAN FEDERAL INCOME TAX CONSEQUENCES OF THE REDUCTION OF STATED CAPITAL OF THE COMMON SHARES. IT IS OF A GENERAL NATURE ONLY AND IS NOT INTENDED TO CONSTITUTE NOR SHOULD IT BE CONSTRUED TO CONSTITUTE LEGAL OR TAX ADVICE TO ANY PARTICULAR SHAREHOLDER. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE CONSEQUENCES THE REDUCTION OF STATED CAPITAL, TAKING INTO ACCOUNT THEIR OWN PARTICULAR CIRCUMSTANCES AND ANY APPLICABLE FOREIGN, PROVINCIAL OR TERRITORIAL LEGISLATION.**

This summary is based upon the current provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the published administrative policies and assessing practices of the Canada Revenue Agency (the “**CRA**”) publicly available prior to the date here. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and assumes that all Tax Proposals will be enacted in the form proposed. However, there can be no assurance that the Tax Proposals will be enacted in their current form or at all. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in law or any changes in the administrative policies or assessing practices of the CRA, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account or consider any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described herein.

The proposed reduction of the stated capital of the Common Shares will not result in any immediate Canadian income tax consequences to the holders of Common Shares. Since no amount will be paid by the Corporation on the reduction, none of the holders of Common Shares will be deemed to have received a dividend and there will not be any reduction in the adjusted cost base of the Common Shares to the holders as a result of the reduction of stated capital. The reduction of the stated capital will reduce the “paid-up capital” (“**PUC**”) of the Common Shares

for purposes of the Tax Act by an amount equal to the reduction of stated capital. The reduction in PUC of the Common Shares may have future Canadian federal income tax consequences to a holder of Common Shares, including, but not limited to, if the Corporation repurchases any Common Shares, on a distribution of assets by the Corporation or if the Corporation is wound-up.

### ***United States Federal Income Tax Consequences***

The reduction of stated capital should not constitute a taxable event for the shareholders of the Corporation. As a result, shareholders generally should not recognize gain or loss upon the reduction of stated capital. Each shareholder's tax basis in its Common Shares should remain unchanged, and each shareholder's holding period in its Common Shares should include the holding period in the Common Shares held by such shareholder prior to the reduction of stated capital.

Pursuant to the provisions of the *Business Corporations Act* (Alberta), the special resolution must be approved by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast by the holders of the Common Shares at the Meeting, in person or by proxy, on the special resolution. Accordingly, at the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve a special resolution, with or without variation, as follows:

#### **“BE IT RESOLVED, AS A SPECIAL RESOLUTION THAT:**

1. the stated capital account of the common shares of Blackhawk Resources Corp. (the “**Corporation**”) be reduced by up to \$180,136.75, all as more particularly described in the Circular dated April 15, 2019
2. any one director or officer of the Corporation be and is hereby authorized and empowered on behalf of the Corporation to do and perform all such acts and things and to execute and deliver or cause to be executed and delivered for, in the name of and on behalf of the Corporation (whether under corporate seal or otherwise), all such deeds, documents or other instruments as in his opinion may be necessary and desirable in order to perform the terms of this resolution; and
3. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized to and empowered to revoke this resolution, without any further approval of the Corporation's shareholders, at any time if such revocation is considered necessary or desirable by the directors.”

### ***Recommendation of the Board of Directors***

The Board recommends a vote “**FOR**” the reduction of the stated capital of the Common Shares. Unless otherwise instructed, the persons designated in the Instrument of Proxy intend to vote **FOR** the resolution.

## **Reduction of Stated Capital and Return of Capital**

At the Meeting, shareholders will also be asked to consider and, if deemed advisable, to approve by way of special resolution, a reduction of the stated capital account of the Common Shares by a further amount of \$4,795,500 for the purposes of effecting a special distribution to holders of Common Shares of cash, or property, as a return of capital (the “**Return of Capital**”). This will allow the Corporation to pay certain amounts (in cash or property) to shareholders generally on a tax free basis.

Pursuant to the provisions of the *Business Corporations Act* (Alberta), the special resolution must be approved by not less than two-thirds ( $\frac{2}{3}$ ) of the votes cast by the holders of the Common Shares at the Meeting, in person or by proxy, on the special resolution. Accordingly, at the Meeting, shareholders will be asked to consider and, if deemed advisable, to approve a special resolution, with or without variation, as follows:

### **“BE IT RESOLVED, AS A SPECIAL RESOLUTION THAT:**

1. the stated capital account of the common shares of Blackhawk Resources Corp. (the “**Corporation**”) be reduced by up to an additional \$4,795,500, for the purpose of effecting a special distribution to holders of common shares of cash, or property, as a return of capital (the “**Return of Capital**”) all as more particularly described in the Corporation's Circular dated April 15, 2019;
2. the Return of Capital shall be subject to confirmation by the Board of Directors;
3. any one director or officer of the Corporation be and is hereby authorized and empowered on behalf of the Corporation to do and perform all such acts and things and to execute and deliver or cause to be executed and delivered for, in the name of and on behalf of the Corporation (whether under corporate seal or otherwise), all such deeds, documents or other instruments as in his opinion may be necessary and desirable in order to perform the terms of this resolution; and
4. notwithstanding that this resolution has been passed by the shareholders of the Corporation, the directors of the Corporation are hereby authorized to and empowered to revoke this resolution, without any further approval of the Corporation's shareholders, at any time if such revocation is considered necessary or desirable by the directors.”

### ***Recommendation of the Board of Directors***

The Board recommends a vote “**FOR**” the reduction of the stated capital of the Common Shares for the purposes of effecting the Return of Capital. Unless otherwise instructed, the persons designated in the Instrument of Proxy intend to vote **FOR** the resolution.

## **GENERAL MATTERS**

### **Relationships**

There are no actual or anticipated agreements between the Corporation or any registrant to provide sponsorship or corporate finance services either now or in the future.

### **Additional Information**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information of the Corporation's most recently completed financial year is provided in the Corporation's

comparative financial statements and management discussion and analysis available on SEDAR. A shareholder may contact the Corporation at Suite 650, 816 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1A1, Attn: Chief Financial Officer to obtain a copy of the Corporation's most recent financial statements and management discussion and analysis.

## **Resolutions**

**Unless otherwise directed, it is management's intention to vote proxies in favour of the resolutions set forth herein.** All ordinary resolutions require, for the passing of the same, a simple majority of the votes cast at the Meeting by the holders of Common Shares. All special resolutions, if any, to be brought before the Meeting require, for the passing of the same, a 66 $\frac{2}{3}$ % majority of the votes cast at the Meeting by the holders of Common Shares. All approvals by disinterested shareholders, if any, require the approval of the shareholders not affected by, or interested in, the matter to be approved.

## **OTHER BUSINESS**

While there is no other business other than that business mentioned in the Notice of Meeting to be presented for action by the shareholders at the Meeting, **it is intended that the proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.**

## **BOARD APPROVAL**

The contents and the sending of this Circular have been approved by the Board.

**DATED** this 15<sup>th</sup> day of April, 2019.