

CHINOOK TYEE INDUSTRY LIMITED

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING AND MANAGEMENT INFORMATION CIRCULAR

Date and Time: June 22, 2017
at 9:00 a.m. (Vancouver time)

Place: 1000 Cathedral Place
925 West Georgia Street
Vancouver, British Columbia

May 26, 2017

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**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
OF CHINOOK TYEE INDUSTRY LIMITED**

NOTICE IS GIVEN that the annual general and special meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of Chinook Tyee Industry Limited (the "**Corporation**") will be held at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia on June 22, 2017 at 9:00 a.m. (Vancouver Time) for the following purposes:

1. to receive and consider the financial statements of the Corporation for the financial years ended December 31, 2015 and 2016, together with the reports of the auditors thereon;
2. to re-appoint Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants, as auditors of the Corporation for the ensuing year and to authorize the directors of the Corporation (the "**Directors**") to fix the remuneration to be paid to the auditors for the ensuing year;
3. to fix the number of Directors at three (3);
4. to elect Directors for the ensuing year;
5. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying management information circular (the "**Circular**") prepared for the purposes of the Meeting, approving the Corporation's 2017 stock option plan;
6. to consider and, if deemed appropriate, to pass, with or without variation, a special resolution, the full text of which is set forth in the accompanying Circular, approving a reduction to the stated capital of the Corporation; and
7. to transact such other business as may properly come before the Meeting or any adjournment thereof.

The Corporation's board of Directors (the "**Board**") has fixed the close of business (Vancouver time) on Friday, May 19, 2017 as the record date for the Meeting. Only Shareholders of record at the close of business on the record date are entitled to receive notice of and to vote at the Meeting.

Registered Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out therein and in the Circular accompanying this notice of meeting. A proxy will not be valid unless it is received by Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1 by June 15, 2017. The chairman of the Meeting has the discretion to accept proxies received after that time.

DATED at Vancouver, this 26th day of May, 2017.

By order of the Board.

/s/ Tom Kusumoto

Mr. Tom Kusumoto
Chairman, Chief Executive Officer, President and Director

If you are a non-registered Shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or by the other intermediary. Failure to do so may result in your shares not being eligible to be voted by proxy at the Meeting.

CHINOOK TYEE INDUSTRY LIMITED

MANAGEMENT INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

This management information circular (the "**Circular**") is being furnished to the holders (the "**Shareholders**") of common shares ("**Shares**") in the capital of Chinook Tyee Industry Limited (the "**Corporation**") in connection with the solicitation of proxies by management of the Corporation for use at the annual general and special meeting of Shareholders to be held at 9:00 a.m. (Vancouver time) on June 22, 2017 at 1000 Cathedral Place, 925 West Georgia Street, Vancouver, British Columbia, Canada, and any adjournment(s) or postponement(s) thereof (the "**Meeting**"), for the purposes set forth in the notice of meeting dated May 26, 2017 (the "**Notice of Meeting**").

The Corporation is required to hold an annual general meeting of its Shareholders (an "**AGM**") in each calendar year and not more than 15 months after the date of the preceding AGM in accordance with the *Business Corporations Act* (British Columbia) (the "**BCBCA**"). The last AGM of the Corporation was held on December 21, 2015. The Corporation failed to convene an AGM during the financial year ended December 31, 2016 (the "**2016 AGM**"). On March 23, 2017, the Corporation was granted an order (the "**Order**") from the Supreme Court of British Columbia authorizing and directing the Corporation to combine the 2016 AGM with the Meeting in order to rectify its corporate mistake of failing to hold the 2016 AGM. Pursuant to the Order, the Meeting must be called, held and conducted in British Columbia on or before June 23, 2017.

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers of the Corporation (the "**Officers**") at nominal cost. The cost of this solicitation will be borne by the Corporation. The Notice of Meeting, this Circular, a form of proxy (the "**Proxy**") and a financial statements request form (collectively, the "**Meeting Materials**") will be mailed to beneficial owners of Shares commencing on or about May 29, 2017. In this Circular, except where otherwise indicated, all dollar amounts are expressed in Canadian currency.

The information contained in this Circular is given as at May 26, 2017, unless otherwise noted.

RECORD DATE

The board of directors of the Corporation (the "**Board**") has set the close of business (Vancouver time) Friday, May 19, 2017, as the record date (the "**Record Date**") for determining which Shareholders shall be entitled to receive notice of and to attend and vote at the Meeting. Only Shareholders of record as of the Record Date are entitled to receive notice of and to attend and vote at the Meeting. Persons who acquire Shares after the Record Date will not be entitled to vote such Shares at the Meeting.

APPOINTMENT OF PROXYHOLDERS

The person(s) named in the accompanying Proxy as proxyholder(s) are management's representatives. **A Shareholder of record has the right to appoint a person or company who need not be a Shareholder, other than the person(s) designated in the enclosed Proxy, to attend and act on behalf of the Shareholder at the Meeting.** A Shareholder wishing to exercise this right may do so either by striking out the printed name(s) and inserting the desired person or company's name in the blank space provided in the Proxy or by completing another proper Proxy.

To be valid, the Proxy must be signed by the Shareholder of record or such Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney. The Proxy, to be acted upon, must be deposited with the Corporation, c/o its agent, Computershare Investor Services Inc. ("**Computershare**"), by delivery to: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, or by telephone or over the internet as set forth in the form of Proxy, by June 15, 2017. The chairman of the Meeting has the discretion to accept proxies received after that time. **Failure to properly complete or deposit a Proxy may result in its invalidation.**

VOTING OF PROXIES

If the Proxy is completed, signed and delivered to the Corporation, the person(s) named as proxyholder(s) therein shall vote or withhold from voting the Shares in respect of which they are appointed as proxyholder(s) at the Meeting in accordance with the instructions of the Shareholder appointing them, on any show of hands and/or on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the person(s) appointed

as proxyholder(s) shall vote accordingly. The Proxy confers discretionary authority upon the person(s) named therein with respect to: (a) each matter or group of matters identified therein for which a choice is not specified; (b) amendments or variations to the matters identified therein; and (c) the transaction of such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, 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.

If no choice is specified by a Shareholder with respect to any matter identified in the Proxy or any amendment or variation to such matter, it is intended that the person(s) designated by management in the Proxy will vote the Shares represented thereby in favour of such matter.

NON-REGISTERED HOLDERS

Only registered Shareholders or duly appointed proxyholders are permitted to attend and vote at the Meeting. Most Shareholders are "non-registered holders" because the Shares they own are not registered in their name but are instead registered in the name of the brokerage firm, bank or trust corporation through which they purchased their Shares. More particularly, a person is not a registered Shareholder in respect of Shares which are held on behalf of that person (the "Non-Registered Holder") but which are registered either: (a) in the name of an intermediary (an "Intermediary") that the Non-Registered Holder deals with in respect of the Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans); or (b) in the name of a depository (such as CDS Clearing and Depository Services Inc.) of which an Intermediary is a participant. Non-Registered Holders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation are referred to herein as "OBOs". In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has elected to distribute copies of the Meeting Materials to depositories and Intermediaries for onward distribution to Non-Registered Holders. The Corporation does not intend to pay for Intermediaries to forward to OBOs and such OBOs will not receive Meeting Materials unless the OBO's Intermediary assumes the cost of delivery.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Typically, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Non-Registered Holders who have not waived the right to receive Meeting Materials will either:

- (a) receive a Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Shares beneficially owned by the Non-Registered Holder but which is otherwise not completed. Because the Intermediary has already signed the Proxy, this Proxy is not required to be signed by the Non-Registered Holder when submitting the Proxy. In this case, the Non-Registered Holder who wishes to submit a Proxy should otherwise properly complete and deliver the Proxy; or
- (b) more typically, receive voting instruction form which is not signed by the Intermediary, and which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company, will constitute voting instructions (a "**proxy authorization form**") which the Intermediary must follow.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the Shares which they beneficially own. Should a Non-Registered Holder who receives a Proxy wish to attend and vote at the Meeting in person, the Non-Registered Holder should strike out the name(s) of the management proxyholder(s) and insert the Non-Registered Holder's name in the blank space provided or, in the case of a proxy authorization form, the Non-Registered Holder should follow the corresponding instructions on the form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary, including those regarding when and where the Proxy or proxy authorization form is to be delivered.**

REVOCABILITY OF PROXY

Any Shareholder returning the enclosed Proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either with Computershare or at the registered office of the

Corporation, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the chairperson of the Meeting prior to the commencement of the Meeting. A revocation of a Proxy will not affect a matter on which a vote is taken before such revocation.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Corporation's authorized capital consists of an unlimited number of Shares without par value and an unlimited number of preferred shares without par value, issuable in series. The Shares are the only issued and outstanding voting securities of the Corporation, the holders thereof being entitled to one vote for each Share held. As at the Record Date, there were a total of 3,405,932 Shares issued and outstanding. A quorum for the transaction of business at the Meeting is two persons who, in the aggregate, hold at least 5% of the issued Shares entitled to vote at the Meeting being present in person or by proxy.

To the knowledge of the directors (the "**Directors**") and Officers, the only individual, corporation, partnership, party, trust, fund, association and any other organized group of persons and the personal or other legal representative of a person to whom the context can apply according to law who beneficially owns, controls or directs, directly or indirectly, Shares carrying 10% or more of the voting rights attached to the issued and outstanding Shares as at the Record Date is 1022119 B.C. Ltd., which owns 1,349,950 Shares (which represents approximately 39.6% of the total issued Shares). 1022119 B.C. Ltd. is a private British Columbia company owned and controlled indirectly by Mr. Kusumoto.

CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES

To the best of management's knowledge, as of the date of this Circular, no proposed nominee for election as a Director is, or has been, within the past ten years, a director or executive officer of any company (including the Corporation) 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 or 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 AND SANCTIONS

To the best of management's knowledge, as of the date of this Circular, no proposed nominee for election as a Director 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 be considered important to a reasonable investor making an investment decision.

INDIVIDUAL BANKRUPTCIES

As of the date of this Circular, no proposed nominee for election as a Director has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, 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.

EXECUTIVE COMPENSATION

Pursuant to applicable securities legislation, the Corporation is required to provide a summary of all annual and long-term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial years in respect of any individual who served as the chief executive officer or chief financial officer of the Corporation during such period, the other most highly compensated executive officer of the Corporation and its subsidiaries whose total compensation for the most recently completed financial year exceeded \$150,000 and any individual who would have satisfied

these criteria but for the fact that the individual was neither serving as such an officer, nor acting in a similar capacity, at the end of the most recently completed financial year (each herein referred to as a "Named Executive Officer").

Compensation Discussion and Analysis

The Board determines the executive compensation policy for the executives of the Corporation. The Board's objective is to ensure that executive compensation is market competitive, while at the same time reflecting the Corporation's current state of development and overall financial status. The Board also seeks to ensure that the Corporation's executive compensation policy is aligned with the near- and long-term interests of the Shareholders. In determining compensation, the Board relies on discussions with the Corporation's management, and does not utilize any formal performance goals or benchmarks.

Due to its present stage of operations, the Corporation does not presently employ base compensation, equity participation or performance bonuses for any of its Officers, and does not currently have a stock option plan.

Summary Compensation Table

The following table (and notes thereto) states the name of each Director and Named Executive Officer and his or her annual compensation, consisting of salary, option-based awards and other annual compensation for each of the Corporation's three most recently completed financial years.

Name and Principal Position	Year Ended December 31,	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees ⁽²⁾ (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Mr. Tom Kusumoto President, Chief Executive Officer, Chairman of the Board and Director	2016	Nil	N/A	Nil	Nil	Nil	Nil
	2015	Nil	N/A	Nil	Nil	Nil	Nil
	2014	Nil	N/A	Nil	Nil	Nil	Nil
Mr. Kenneth MacLeod Director	2016	10,500	N/A	2,625	Nil	Nil	13,125 ⁽³⁾
	2015	10,500	N/A	2,625	Nil	Nil	13,125 ⁽³⁾
	2014	10,500	N/A	2,625	Nil	Nil	13,125 ⁽³⁾
Mr. Alex Blodgett Director	2016	10,000	N/A	2,500	Nil	Nil	12,500
	2015	10,000	N/A	2,500	Nil	Nil	12,500
	2014	10,000	N/A	2,500	Nil	Nil	12,500
Mr. Greg MacRae Director	2016	10,000	N/A	2,500	Nil	Nil	12,500
	2015	10,000	N/A	2,500	Nil	Nil	12,500
	2014	10,000	N/A	2,500	Nil	Nil	12,500
Ms. Christine McPhie Chief Financial Officer	2016	36,650 ⁽¹⁾	N/A	2,100	Nil	Nil	38,750 ⁽⁴⁾
	2015	52,915 ⁽¹⁾	N/A	2,100	Nil	Nil	55,015 ⁽⁴⁾
	2014	42,775 ⁽¹⁾	N/A	2,100	Nil	Nil	44,875 ⁽⁴⁾

Notes:

- (1) Comprised of an annual retainer of \$10,000 and fees billed for accounting services.
- (2) The Corporation paid each of its independent Directors a retainer of \$10,000 per year, \$500 per Board meeting attended and \$500 per audit committee meeting attended.
- (3) GST totalled \$625.
- (4) GST totalled \$1,450 in 2016, \$2,215 in 2015 and \$2,136.90 in 2014.

Termination and Change of Control Benefits

Neither the Corporation, nor any of its subsidiaries, has had or has an employment contract with any Director or Named Executive Officer. The Corporation has no compensatory plan or arrangement with respect to any Director or Named Executive Officer to compensate such Director or Named Executive Officer in the event of the resignation, retirement or any other termination of employment, a change in control of the Corporation or any of its subsidiaries or in the event of a change in responsibilities following a change in control.

Incentive Plan Awards

The Corporation does not have any share-based or option-based awards in place. The Corporation also does not have any non-equity incentive plans.

Pension Plan Benefits

The Corporation does not have any pension, retirement, defined benefit or actuarial plans.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Corporation does not have a formalized stock option plan for the granting of incentive stock options to the Officers, Directors or employees of the Corporation (the "**Employees**"), and did not grant stock options to the Officers, Directors or Employees during the two most recently completed financial years.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is or has been a Director, Officer or Employee of the Corporation or any of its subsidiaries was, within thirty days before the date of this Circular, indebted to the Corporation or any of its subsidiaries or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

AUDIT COMMITTEE

The Corporation's audit committee's (the "**Audit Committee**") primary function is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and the Shareholders, the Corporation's systems of internal controls regarding finance and accounting and the Corporation's auditing, accounting and financial reporting processes.

Audit Committee Charter

The Audit Committee operates under a written charter that sets out its responsibilities and composition requirements. The text of the Audit Committee's charter is set forth at Schedule "A" attached hereto.

Composition of the Audit Committee

Following the Meeting, the members of the Audit Committee are expected to be Messrs. Tom Kusumoto, Kenneth MacLeod and Alex Blodgett. Messrs. MacLeod and Blodgett are each an "independent" member of the Audit Committee within the meaning of National Instrument 52-110 - *Audit Committees* ("NI 52-110"), and all of the members of the Audit Committee are considered by the Board to be "financially literate" within the meaning of NI 52-110.

Exemption

The Corporation is relying on the exemption provided by Section 6.1 of NI 52-110 which exempts issuers from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of that instrument. As a result, the members of the Audit Committee are not all required to be "independent" within the meaning of NI 52-110.

Relevant Education and Experience

The education and experience of each member and expected member of the Audit Committee which is relevant to the performance of his responsibilities as an Audit Committee member, including education or experience that would provide the member with an understanding of accounting principles used by the Corporation to prepare its financial statements, the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions, experience preparing, auditing, analysing or evaluating financial statements and an understanding of internal controls and procedures for financial reporting is set forth below.

Mr. Tom Kusumoto. Mr. Kusumoto has served as the President, Chief Executive Officer and Chairman of the Board of the Corporation and as a Director since December 2012. Mr. Kusumoto was also a director of Peekaboo Beans Inc. ("**Peekaboo**"), formerly North Group Finance Limited, a TSX Venture Exchange (the "**TSXV**") listed company, from 2001 to 2016. He was also the President, Chief Executive Officer and Corporate Secretary of Peekaboo until his resignation effective December 31,

2014. Mr. Kusumoto has over two decades of experience in corporate finance and financial analysis in both Canada and Europe. Mr. Kusumoto graduated with a Bachelor of Arts degree in Economics and a Bachelor of Commerce degree in Finance and has acted as a director and officer of numerous public companies in Canada and the United States.

Mr. Kenneth MacLeod. Mr. MacLeod is the Chief Executive Officer, President and a director of Sonoro Metals Corp., a TSXV listed company. Mr. MacLeod has over three decades of experience in developing resource assets in the United States, Canada, the Philippines and the Democratic Republic of Congo, mostly acting as a senior executive with Canadian-listed public companies. Previously, Mr. MacLeod was Chief Executive Officer of Pan Pacific Power Corp., a private renewable energy company with hydro-electric power and geothermal energy projects under development in Asia. From 2001 to 2009, Mr. MacLeod was President and Chief Executive Officer of Western GeoPower Corp., a TSXV listed renewable energy company with geothermal assets in California and Canada.

Mr. Alex Blodgett. Mr. Blodgett is a principal in BK Capital Co., a private management consulting company. Mr. Blodgett has over three decades of corporate finance experience in Canada, the United States and Asia. Mr. Blodgett was formerly a partner with Gordon Capital Corporation ("**Gordon Capital**") in Toronto and Vancouver, a Canadian investment and merchant banking company. In addition, Mr. Blodgett was the President of Gordon Capital's real estate research and consulting group, which provided services to North American and Asian companies. Prior to his tenure with Gordon Capital, Mr. Blodgett was Vice President of Corporate Finance with Bankers Trust Company in New York, Dallas and Los Angeles, with an emphasis on large-scale project financing and management leveraged buyouts.

Audit Committee Oversight

At no time since the commencement of the Corporation's 2015 financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's 2015 financial year has the Corporation relied on the exemptions in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), Subsection 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) of NI 52-110 (*Events Outside Control of Members*), Subsection 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 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 by its external auditors as set out in the Audit Committee's charter. The Audit Committee's charter provides that the Audit Committee shall pre-approve all non-audit-related services and the fees and other compensation for such non-audit services provided by the Corporation's external auditors.

External Auditor Service Fees (by category)

The following table (and note thereto) states the aggregate fees billed by the Corporation's external auditors in each of the last three financial years for audit fees.

Year Ended December 31,	Audit Fees ⁽¹⁾ (\$)	Audit-Related Fees (\$)	Tax Fees ⁽²⁾ (\$)	All Other Fees (\$)
2016	27,000	Nil	2,750 ⁽³⁾	Nil
2015	33,000	Nil	2,750	Nil
2014	38,000	Nil	5,300	8,000

Notes:

- (1) Audit fees were for professional services rendered by the Corporation's external auditors for the audit of the Corporation's annual financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Tax fees relate to tax compliance, tax advice and tax planning services.
- (3) Estimated Fees

CORPORATE GOVERNANCE

The Board believes that sound corporate governance practices are essential to the effective, efficient and prudent operation of the Corporation and to the enhancement of Shareholder value. The Board fulfils its mandate directly and through committees at regularly scheduled meetings or as required.

Board of Directors

The Directors are responsible for managing and supervising the management of the business and affairs of the Corporation. Each year, the Board must review the relationship that each Director has with the Corporation in order to satisfy themselves that the relevant independence criteria have been met.

Following the Meeting, the members of the Board are expected to be Messrs. Tom Kusumoto, Kenneth MacLeod and Alex Blodgett. Mr. Tom Kusumoto is an Officer and is therefore not considered "independent" within the meaning of NI 52-110. Messrs. Alex Blodgett and Kenneth MacLeod are "independent" Directors in that each is free from any interest which could reasonably interfere with his exercise of independent judgment as a Director. Therefore, it is expected that following the Meeting, a majority of the Board will be considered "independent" within the meaning of NI 52-110.

Directorships

The Directors are also directors of the following reporting issuers:

- Mr. Kenneth MacLeod is currently a director of Sonoro Metals Corp, which is listed on the TSXV.

Orientation and Continuing Education

The Corporation does not have a formal process of orientation and education for new members of the Board. Each of the current Directors is experienced in boardroom procedure and corporate governance and generally has a good understanding of the business. As necessary, new members of the Board are provided with information about the Corporation, the role of the Board, the Audit Committee, the Board and the Corporation's industry. In addition, the Corporation provides continuing education for its Directors as such needs arise.

Ethical Business Conduct

Each Director, Officer and Employee in the exercise of his or her duties and responsibilities must act honestly and in good faith in the best interest of the Corporation and in compliance with applicable laws, rules and regulations.

In addition, the Board must comply with conflict of interest provisions in the *BCBCA* and relevant securities regulatory instruments in order to ensure that Directors exercise independent judgment in considering transactions and agreements in respect of which a Director has a material interest. To ensure Directors exercise independent judgement in considering transactions, agreements or decisions in respect to which a Director has declared a material interest (in accordance with relevant corporate law requirements), the Board follows a practice whereby any such Board member must be absent during any Board discussion pertaining thereto and not cast a vote on any such matter.

Nomination of Directors

The Corporation has not constituted a nominating committee to propose new Board nominees. Nomination and review of potential new Directors is reviewed by all of the members of the Board and senior management.

Compensation

The Corporation has not constituted a compensation committee to discharge the Board's responsibilities relating to compensation of the Directors and Officers. The Board periodically reviews compensation paid to the Directors and Officers.

Assessments

The Board is responsible for keeping management informed of its evaluation of the performance of the Corporation and its Officers in achieving and carrying out the Board's established goals and policies, and is also responsible for advising management of any remedial action or changes which it may consider necessary. Additionally, Directors are expected to devote the time and attention to the Corporation's business and affairs as necessary to discharge their duties as directors effectively. The Board does not have a formal process to monitor the effectiveness of the Board, its committees and individual members, but rather relies on an informal review process. In order to gauge performance, the Board considers the following:

- (a) input from Directors, when appropriate;

- (b) attendance of Directors at meetings of the Board and the Audit Committee; and
- (c) the competencies and skills each individual Director is expected to bring to the Board and the Audit Committee.

Advance Notice Policy

On July 11, 2013, the Board adopted an advance notice policy (the "**Advance Notice Policy**") for the Corporation which requires that advance notice be given to the Corporation in circumstances where nominations of persons for election as a Director are made by the Shareholders. The Advance Notice Policy was approved by the Shareholders at the Corporation's annual general and special meeting of Shareholders held on August 8, 2013. Among other things, the Advance Notice Policy sets a deadline by which Shareholders must submit a notice of Director nominations to the Corporation prior to any annual or special meetings of Shareholders where Directors are being elected and sets forth the information that a Shareholder must include in the notice for it to be valid. As of May 22, 2017, the deadline for Shareholders to submit a notice of Director nomination(s) to the Corporation for inclusion at the Meeting, the Corporation did not receive any such notices.

The Advance Notice Policy is designed to allow the Corporation to receive adequate prior notice of new proposed director nominations as well as sufficient information on such nominees. The Corporation is thus able to evaluate the proposed nominees' qualifications and suitability as Directors and to communicate its views to the Shareholders in a timely way. The Advance Notice Policy also facilitates an orderly and efficient meeting process and allows all Shareholders a reasonable opportunity to evaluate all proposed nominees in order that they be able to make an informed vote. Additional information regarding the Advance Notice Policy can be found in the Corporation's management information circular dated July 9, 2013, which is available on SEDAR at www.sedar.com.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements and Auditor's Report

The Board has approved the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2016, together with the auditors' report thereon. Copies of these financial statements have been sent to those Shareholders who have requested the same. These materials are available on SEDAR at www.sedar.com.

2. Appointment and Remuneration of Auditors

At the Meeting, the Shareholders will be asked to vote for the re-appointment of Dale Matheson Carr-Hilton Labonte LLP, Chartered Professional Accountants ("**DMCL**"), of Vancouver, British Columbia, as the auditors of the Corporation for the ensuing year, and to authorize the Directors to fix their remuneration. See "Audit Committee – External Audit Service Fees (by category)" above for a discussion of the past remuneration paid to the auditor.

DMCL has been the auditors of the Corporation since January 2014, when they replaced the previous auditors, KPMG LLP ("**KPMG**"). Prior to the replacement of KPMG, there were no reportable disagreements between the Corporation and KPMG and no qualified opinions or denials of opinions by KPMG for the purposes of National Instrument 51-102 – *Continuous Disclosure Obligations*.

Management recommends that the Shareholders vote for the re-appointment of DMCL as the auditors of the Corporation for the ensuing year and the authorization of the Board to determine the remuneration to be paid to the auditors. **Unless you give other instructions, the person(s) named in the enclosed Proxy intend to vote "FOR" the re-appointment of DMCL as the auditors of the Corporation for the ensuing year and "FOR" the authorization of the Board to fix the remuneration to be paid to the auditors.**

3. Ordinary Resolution Fixing the Number of Directors

General

At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass an ordinary resolution fixing the number of Directors at three (3) (the "**Fixing of Directors Resolution**").

The Fixing of Directors Resolution

In accordance with the Corporation's Articles, the fixing of the number of Directors at three (3) must be approved by the

Shareholders in order to become effective.

The complete text of the Fixing of Directors Resolution, which the Corporation intends to place before the Shareholders at the Meeting for approval, with or without modification, is as follows:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) the number of directors of the Corporation be and the same is hereby fixed at three (3) until such time as the shareholders of the Corporation determine by ordinary resolution to increase or decrease that number in accordance with the Corporation's Articles; and
- (b) any one or more directors or officers of the Corporation, for and on behalf of the Corporation, is authorized and directed, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things that may be necessary or desirable to give effect to the provisions of this resolution."

Recommendation of the Directors

Management recommends that the Shareholders vote in favour of the Fixing of Directors Resolution. In order to be approved, the Fixing of Directors Resolution must be passed by a simple majority of the votes cast by the Shareholders at the Meeting. **Unless you give other instructions, the person(s) named in the enclosed Proxy intend to vote "FOR" the Fixing of Directors Resolution.**

4. Election of Directors

The Directors are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are duly elected or appointed in accordance with the Corporation's Articles or until such Director's earlier death, resignation or removal. Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, the persons designated in the enclosed Proxy reserve the right to vote for other nominees in their discretion.

Management of the Corporation proposes to nominate the following three (3) Directors, as further described in the table below, for election by the Shareholders as Directors to hold office until the next annual meeting or until their successors are duly elected or appointed. Greg MacRae is expected to resign as a Director at the Meeting. The following table (and notes thereto) states the name of the proposed nominees and each Director whose term will continue after the Meeting, all offices of the Corporation now held by him, the period of time for which he has been a Director and the number of securities of the Corporation beneficially owned by him, directly or indirectly, or over which he exercises control or direction, as at the date hereof.

Name and Province and Municipality of Residence	Director Since	Number of Shares
Mr. Tom Kusumoto ⁽¹⁾ Vancouver, British Columbia, Canada	December 14, 2012	1,349,950 ⁽²⁾
Mr. Kenneth MacLeod ⁽¹⁾ West Vancouver, British Columbia, Canada	December 14, 2012	Nil
Mr. Alex Blodgett ⁽¹⁾ Vancouver, British Columbia, Canada	August 8, 2013	Nil

Notes:

- (1) Members, or expected members, of the Audit Committee.
- (2) The reported Shares are registered in the name of 1022119 B.C. Ltd, a private British Columbia Company owned and controlled indirectly by Mr. Kusumoto.

Following the Meeting, the expected members of the Audit Committee are Messrs. Tom Kusumoto, Kenneth MacLeod and Alex Blodgett. The general function of the Audit Committee is to review the overall audit plan and the Corporation's system of internal controls to review the results of the external audit and to resolve any potential disputes with the Corporation's auditors.

Recommendation of the Directors

Management recommends that the Shareholders vote for its nominees for election as Directors. **Unless you give other instructions, the person(s) named in the enclosed Proxy intend to vote "FOR" the election of the three (3) management nominees as Directors for the ensuing year.**

5. Approval of Stock Option Plan

General

At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass an ordinary resolution authorizing the Board to adopt a stock option plan (the "**Option Plan**") for the Corporation which conforms to the rules and policies of the TSXV (the "**Option Plan Resolution**"). The Option Plan will be a "10% rolling" stock option plan within the meaning of the rules and policies of the TSXV. The total number of Shares that may be reserved for issuance will be 10% of the issued and outstanding Shares at the time of grant, less any Shares reserved for issuance pursuant to the grant of stock options under any other share compensation arrangements.

A full copy of the Option Plan will be available at the Meeting for review by the Shareholders. The Shareholders may also obtain copies of the Option Plan from the Corporation before the Meeting upon written request. The following is a summary of the material terms of the Option Plan, the full text of which is set forth at Schedule "B" attached hereto.

Summary of the Option Plan

The purpose of the Option Plan is to provide an incentive to recipients of an option thereunder (the "**Optionees**") and thereby advance the Corporation's interests by providing them an opportunity to acquire an equity interest in the Corporation through the exercise of stock options granted to them under the Option Plan.

Under the Option Plan, the Board (or a Board committee, if any, appointed in accordance with the Option Plan) may grant stock options to Optionees in consideration of them providing their services to the Corporation or a subsidiary of the Corporation. The number of Shares subject to each option is determined by the Board within the guidelines established by the Option Plan. The options enable such persons to purchase Shares at a price fixed under such guidelines. The options are exercisable by the Optionee giving the Corporation notice and payment of the exercise price for the number of the Shares to be acquired.

The Option Plan has the following key features:

- (a) The options are non-assignable and non-transferable (except that the Optionee's heirs or administrators can exercise any portion of the outstanding option, up to one year from the Optionee's death).
- (b) The number of Shares subject to each option is determined by the Board provided that the Option Plan, together with all other previously established or proposed share compensation arrangements may not, during any 12 month period, result in:
 - (i) the number of options granted to any one Person exceeding 5% of the issued Shares, unless the Corporation has obtained Disinterested Shareholder Approval;
 - (ii) the number of options granted to any one Consultant exceeding 2% of the issued Shares, unless the Corporation has obtained the prior consent of the TSXV; or
 - (iii) the number of options granted to all Persons retained to provide Investor Relations Activities exceeding 2% of the issued Shares, unless the Corporation has obtained the prior consent of the TSXV.
- (c) The exercise price of an option may not be set at less than Discounted Market Price.
- (d) The options may be exercisable for a period of up to 10 years, (subject to extension where the expiry date falls within a "blackout period").
- (e) Disinterested Shareholder Approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of the Corporation at the time of the proposed amendment.

- (f) The Corporation and the Optionee are responsible for ensuring and confirming that the Optionee is a bona fide Service Provider entitled to receive options under the policies of the TSXV.
- (g) Any options granted to any Optionee who is a Director, Employee, Consultant or Management Company Employee who ceases to be a Director, Employee, Consultant or Management Company Employee, as the case may be, for any reason other than for death or termination for cause, must expire upon the earlier of the original Expiry Date and 90 days after the Termination Date, but only to the extent that such option has vested as at the Termination Date.

Capitalized terms referenced in the above summary which are not otherwise defined in this Circular are defined in the Option Plan.

The Option Plan Resolution

In accordance with the policies and requirements of the TSXV, the Option Plan must be approved by the Shareholders in order to become effective.

The complete text of the Option Plan Resolution, which the Corporation intends to place before the Shareholders at the Meeting for approval, confirmation and adoption, with or without modification, is as follows:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

- (a) a stock option plan (the "**Option Plan**") in substantially the form contained in Schedule "B" of the Corporation's management information circular dated May 26, 2017 which conforms with the rules and policies of the TSX Venture Exchange (the "**TSXV**"), as applicable, be and is hereby approved and adopted;
- (b) the number of common shares of the Corporation issuable pursuant to the Option Plan be set at 10% of the outstanding common shares of the Corporation from time to time, subject to any limitations imposed by applicable regulations, laws, rules and policies;
- (c) the board of directors of the Corporation is authorized on behalf of the Corporation to make any further amendments to the Option Plan as may be required by applicable regulatory authorities, without requiring further approval of the Corporation's shareholders, in order to ensure adoption of the Option Plan;
- (d) the Corporation is authorized to file the Option Plan with the TSXV for acceptance, and the implementation of the Option Plan is subject to the receipt of such approval; and
- (e) any one or more directors or officers of the Corporation, for and on behalf of the Corporation, is authorized and directed, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things that may be necessary or desirable to give effect to the provisions of this resolution."

Recommendation of the Directors

Management recommends that the Shareholders vote in favour of the Option Plan Resolution. In order to be approved, the Option Plan Resolution must be passed by a simple majority of the votes cast by the Shareholders at the Meeting. **Unless you give other instructions, the person(s) named in the enclosed Proxy intend to vote "FOR" the Option Plan Resolution.**

6. Reduction of Stated Capital

General

At the Meeting, the Shareholders will be asked to consider and, if thought appropriate, to pass a special resolution (the "**Capital Reduction Resolution**"), approving the reduction of stated capital stock as reflected in the Corporation's audited consolidated balance sheet as at December 31, 2016. A reduction of stated capital is permitted under the *BCBCA* by way of a special resolution of the Shareholders where there are no reasonable grounds for believing that the realizable value of the Corporation's assets would, after the reduction, be less than the aggregate of its liabilities. **The Directors have determined that there are no reasonable grounds to believe that the realizable value of the Corporation's assets would, after the reduction, be less than the aggregate of its liabilities.** Management proposes that the Corporation reduce the \$720,788 deficit as set forth on the Corporation's audited consolidated balance sheet as at December 31, 2016 by reducing the stated capital of the Corporation by

\$720,788. Management believes that the reduction of stated capital would cause the Corporation's consolidated balance sheet to reflect more accurately the assets and liabilities of the Corporation. It would also reduce the aggregate of the Corporation's liabilities and stated capital so as to increase the difference between such amount and the realizable value of the Corporation's assets, thereby providing the Corporation with additional flexibility to pay dividends if, as and when declared by the Board.

If approved by the Shareholders, the proposal would result in the reduction in the Corporation's stated capital, as reflected in the Corporation's audited consolidated balance sheet as at December 31, 2016, by \$720,788 to \$174,613, and a concurrent reduction in the Corporation's deficit account as of such date by \$720,788 (equal to the Corporation's accumulated deficit as at December 31, 2016). The reduction in the stated capital of the Shares will eliminate the Corporation's accumulated deficit but will leave the Shareholders' equity unaffected. No changes would be made to either the assets or liabilities of the Corporation as set forth in the Corporation's audited consolidated balance sheet as at December 31, 2016, nor would any payments or distributions be made to the Shareholders as a result of this reduction.

Tax Consequences

The following is a summary of the principal Canadian federal income tax considerations related to the proposed reduction of stated capital that are generally applicable to Shareholders. This summary is based on the current provisions of the *Income Tax Act* (Canada) (the "*Tax Act*"), the regulations to the *Tax Act* and the current published administrative practices and assessing policies of the Canada Revenue Agency (publicly available prior to the date hereof). This summary also takes into account all proposed amendments to the *Tax Act* and regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and assumes that all proposed amendments will be enacted in the form proposed, although no assurances can be given in this regard. Except for the proposed amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental, regulatory, or judicial action or decision, or changes in the administrative practices of the Canada Revenue Agency, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below.

This summary is not applicable to (i) a Shareholder that is a "financial institution", as defined in the *Tax Act* for purposes of the mark-to-market rules; (ii) a Shareholder an interest in which would be a "tax shelter investment" as defined in the *Tax Act*; (iii) a Shareholder that is a "specified financial institution" as defined in the *Tax Act*; or (iv) a Shareholder who makes or has made a functional currency reporting election pursuant to section 261 of the *Tax Act*. Any such Shareholder should consult its own tax advisor.

This summary is not exhaustive of all Canadian federal income tax considerations related to the proposed reduction of stated capital, nor does it take into account any provincial or territorial tax laws of Canada or any tax laws of any jurisdiction outside Canada. This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Shareholder. Each Shareholder should obtain advice from his, her or its own independent tax advisors with respect to his, her or its particular tax position as such consequences can vary depending upon the particular circumstances of each Shareholder.

The proposed reduction of the stated capital of the Shares will not result in any immediate Canadian income tax consequences to a Shareholder nor will it affect a Shareholder's adjusted cost base ("**ACB**") of the Shares for purposes of the *Tax Act*. However, the reduction in the stated capital will reduce the paid-up capital (as defined in the *Tax Act*) of the Shares ("**PUC**") by an amount equal to the reduction in stated capital. PUC is generally the aggregate of all of the amounts received by the Corporation upon issuance of its shares (by class) adjusted in certain circumstances in accordance with the *Tax Act* over the total outstanding number of shares of that class. PUC differs from the ACB of Shares to any particular Shareholder as ACB is calculated based on the amount paid by a Shareholder to acquire the Shares, whether on issuance by the Corporation or through the marketplace.

Although the reduction of the stated capital and the corresponding reduction of the PUC of the Shares will not have any immediate Canadian income tax consequences, such reduction may have future Canadian federal income tax consequences to a Shareholder in certain limited circumstances, including, but not limited to, if the Corporation repurchases any Shares, on a distribution of assets from the Corporation to its Shareholders or if the Corporation is wound-up.

The Capital Reduction Resolution

In accordance with the *BCBCA*, the reduction of stated capital must be approved by the Shareholders in order to become effective.

The complete text of the Capital Reduction Resolution, which the Corporation intends to place before the Shareholders at the Meeting for approval, with or without modification, is as follows:

"BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

- (a) the stated capital of the Corporation as shown on the audited consolidated balance sheet of the Corporation as at December 31, 2016 is hereby reduced by \$720,788; and
- (b) any one or more directors or officers of the Corporation, for and on behalf of the Corporation, is authorized and directed, to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments and do all such other acts or things that may be necessary or desirable to give effect to the provisions of this resolution."

Recommendation of the Directors

Management recommends that the Shareholders vote in favor of the Capital Reduction Resolution. In order to be approved, the Capital Reduction Resolution must be passed by not less than two-thirds (66.67%) of the votes cast by the Shareholders at the Meeting. **Unless you give other instructions, the person(s) named in the enclosed Proxy intend to vote "FOR" the Capital Reduction Resolution.**

7. Other Matters

Management of the Corporation knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. However, if any other matters which are not known to management of the Corporation shall properly come before the Meeting, the Proxy given pursuant to the solicitation by management of the Corporation will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed herein, no Director or Officer at any time since the Corporation's last financial year, or proposed nominee for election as a Director, or any associate or affiliate of such Director, Officer or proposed nominee has any material interest, direct or indirect, by way of beneficial ownership of securities of the Corporation or otherwise, in any matter to be acted on at the Meeting, other than the election of Directors or the appointment of auditors of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Corporation, proposed Director or any associate or affiliate of an informed person or proposed Director, has any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation of any of its subsidiaries.

For the purposes of this Circular, an "informed person" means (i) a Director or Officer, (ii) a director or officer of a person or company that is itself an informed person or (iii) any person or company who beneficially owns, directly or indirectly, and/or exercises control or direction over voting securities of the Corporation carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation.

REGISTRAR AND TRANSFER AGENT

The registrar and transfer agent of the Corporation is Computershare.

SHAREHOLDER PROPOSALS

The final date by which the Corporation must receive proposals for any matter that a person entitled to vote at an annual meeting of Shareholders of the Corporation proposes to raise, including Director nominations, at the next annual meeting of Shareholders of the Corporation is March 21, 2018, subject to the requirements of the *BCBCA*.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. The Shareholders may contact the Corporation to request copies of the Corporation's financial statements and management's discussion and analysis by sending a written request to P.O Box 28051 West Pender Street, Vancouver, B.C. V6C 3T7, Attention: Secretary. Financial information is provided in the Corporation's comparative financial statements and management's discussion and analysis for the financial years ended December 31, 2015 and 2016, which are also available on SEDAR at www.sedar.com.

APPROVAL OF INFORMATION CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the Directors.

DATED at Vancouver, British Columbia, this 26th day of May, 2017.

**BY ORDER OF THE BOARD OF DIRECTORS OF
CHINOOK TYEE INDUSTRY LIMITED**

/s/ Tom Kusumoto

Mr. Tom Kusumoto
Chairman, Chief Executive Officer, President and Director

SCHEDULE "A"

AUDIT COMMITTEE CHARTER

The Audit Committee is appointed by the Board to assist the Board in monitoring: (1) the integrity of the financial statements of the Corporation; (2) the compliance by the Corporation with legal and regulatory requirements; and (3) the independence and performance of the Corporation'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 Corporation'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 Corporation or the Corporation'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 Corporation's financial statements. Such review must occur prior to the Corporation publicly disclosing any such information.
3. Ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements.
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 Corporation's financial statements, including an analysis of the effect of alternative GAAP methods on the Corporation'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 Corporation's financial statements.
6. Meet with management to review the Corporation's major financial risk exposures and the Corporation's internal controls.
7. Review major changes to the Corporation'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 Corporation, 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 Corporation 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 Corporation's hiring of partners, employees and former partners and employees of the present and former independent auditor who were engaged on the Corporation's account.
15. Review the significant reports to management pertaining to the presentation and significant accounting policies of the Corporation's financial statements.
16. Obtain reports from management, the Corporation's senior accounting and financial personnel and the independent auditor that the Corporation 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 Corporation'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 Corporation and any management letter provided by the auditor and the Corporation'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 Corporation.
19. Advise the Board with respect to the Corporation'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 Corporation regarding accounting, internal accounting controls, or auditing matters; and
 - (b) The confidential, anonymous submission by employees of the Corporation 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 Corporation'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.

SCHEDULE "B"

CHINOOK TYEE INDUSTRY LIMITED (the "Company")

STOCK OPTION PLAN

May 26, 2017

ARTICLE 1 PURPOSE AND INTERPRETATION

Purpose

1.1 The purpose of this Plan (as defined herein) is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares (as defined herein). It is the intention of the Company that this Plan will at all times be in compliance with the TSX Venture Policies (as defined herein) and any inconsistencies between this Plan and the TSX Venture Policies) will be resolved in favour of the latter.

Definitions

1.2 In this Plan

- (a) **Affiliate** means a company that is a parent or subsidiary of the Company, or that is controlled by the same entity as the Company;
- (b) **Associate** has the meaning set out in the Securities Act;
- (c) **Black out Period** means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) **Board** means the board of Directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) **Common Shares** means common shares without par value in the capital of the Company provided such class is listed on the TSX Venture (or the NEX, as the case may be);
- (f) **Company** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (g) **Consultant** means an individual or Consultant Company, other than an Employee, Officer or Director that:
 - (i) provides on an ongoing bona fide basis, consulting, technical, managerial or like services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Company or an Affiliate and the individual or the Consultant Company;

- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the business and affairs of the Company or an Affiliate of the Company; and
- (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
- (h) **Consultant Company** means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (i) **Directors** means the directors of the Company as may be elected from time to time;
- (j) **Discounted Market Price** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (k) **Disinterested Shareholder Approval** means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (l) **Distribution** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (m) **Effective Date** for an Option means the date of grant thereof by the Board;
- (n) **Employee** means:
 - (i) an individual who is considered an employee under the Income Tax Act (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Company or a subsidiary thereof providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (o) **Exercise Price** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
- (p) **Expiry Date** means the day on which an Option lapses as specified in the Option Commitment therefor or in accordance with the terms of this Plan;
- (q) **Insider** has the meaning ascribed thereto in the TSX Venture Policies;
- (r) **Investor Relations Activities** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (s) **Management Company Employee** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;

- (t) **NEX** means a separate board of the TSX Venture for companies previously listed on the TSX Venture or the Toronto Stock Exchange which have failed to maintain compliance with the ongoing financial listing standards of those markets;
- (u) **NEX Issuer** means a company listed on the NEX;
- (v) **NEX Policies** means the rules and policies of the NEX as amended from time to time;
- (w) **Officer** means a Board appointed officer of the Company;
- (x) **Option** means the right to purchase Common Shares granted hereunder to a Service Provider;
- (y) **Option Commitment** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
- (z) **Optioned Shares** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
- (aa) **Optionee** means the recipient of an Option hereunder;
- (bb) **Outstanding Shares** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
- (cc) **Participant** means a Service Provider that becomes an Optionee;
- (dd) **Person** includes a company, any unincorporated entity, or an individual;
- (ee) **Plan** means this share option plan, the terms of which are set out herein or as may be amended;
- (ff) **Plan Shares** means the total number of Common Shares which may be reserved for issuance as Optioned Shares under the Plan as provided in Section 2.2;
- (gg) **Regulatory Approval** means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (hh) **Securities Act** means the *Securities Act* (British Columbia), R.S.B.C. 1996, c. 418, or any successor legislation;
- (ii) **Service Provider** means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (jj) **Share Compensation Arrangement** means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (kk) **Shareholder Approval** means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders' meeting;
- (ll) **Take Over Bid** means a take-over bid as defined in subsection 92(j) of the Securities Act or the analogous provisions of securities legislation applicable to the Company;
- (mm) **Termination Date** has the meaning ascribed thereto in Section 3.10;

- (nn) **TSX Venture** means the TSX Venture Exchange and any successor thereto; and
- (oo) **TSX Venture Policies** means the rules and policies of the TSX Venture as amended from time to time.

Other Words and Phrases

1.3 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies (and, if applicable, the NEX Policies), will have the meaning assigned to them in the TSX Venture Policies (and, if applicable, the NEX Policies).

Gender

1.4 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

ARTICLE 2 SHARE OPTION PLAN

Establishment of Share Option Plan

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

Maximum Plan Shares

2.2 Options may be granted in respect of authorized and unissued Shares provided that, the maximum aggregate number of Shares reserved for issuance and which may be purchased upon the exercise of all Options, together with all of the Company's other previously established or proposed Share Compensation Arrangements, shall not exceed 10% of the outstanding issued Shares at the time of grant.

Eligibility

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

Options Granted Under the Plan

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

Limitations on Issue

2.6 Subject to Section 2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider

in the previous 12 months, exceeding 5% of the Outstanding Shares (unless the Company has obtained Disinterested Shareholder Approval to do so);

- (b) no Options can be granted under the Plan if the Company is on notice from the TSX Venture to transfer its listed shares to the NEX;
- (c) the aggregate number of Options granted to Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture; and
- (d) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant, without the prior consent of the TSX Venture.

Options Not Exercised

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance.

Powers of the Board

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

Amendment of the Plan by the Board of Directors

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;

- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

Terms or Amendments Requiring Disinterested Shareholder Approval

2.10 The Company shall obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other Share Compensation Arrangements, could result at any time in:
 - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares;
 - (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares;
 - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

Options Granted Under the Company's Previous Share Option Plans

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms hereof.

ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS

Exercise Price

3.1 The Exercise Price of an Option will be set by the Board on the Effective Date of the Option and cannot be less than the Discounted Market Price.

Term of Option

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date or five years from the Effective Date for a NEX Issuer.

Option Amendment

3.3 Subject to Section 2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the Effective Date, the date the Common Shares commenced trading on the TSX Venture, and the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in Section 3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

Vesting of Options

3.6 Subject to Section 3.7, vesting of Options shall be at the discretion of the Board, and will generally be subject to:

- (a) the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- (b) the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

Vesting of Options Granted to Consultants Conducting Investor Relations Activities

3.7 Notwithstanding Section 3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- (a) over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- (b) such longer vesting period as the Board may determine.

Effect of Take Over Bid

3.8 If a Take Over Bid is made to the shareholders generally then the Company shall, immediately upon receipt of notice of the Take Over Bid, notify each Optionee currently holding an Option of the Take Over Bid, with full particulars thereof whereupon such Option may, subject to receipt of Regulatory Approval and notwithstanding Sections 3.6 and 3.7 or any vesting requirements set out in any Option Commitment, be immediately exercised in whole or in part by the Optionee.

Extension of Options Expiring During Blackout Period

3.9 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10th) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding Section 2.8, the tenth Business Day period referred to in this Section 3.9 may not be extended by the Board.

Optionee Ceasing to be Director, Employee or Service Provider

3.10 No Option may be exercised after the earlier of the date the Service Provider has left his employ/office and the date that the Service Provider has been advised by the Company that his services are no longer required or his service contract has expired (the "**Termination Date**"), except as follows:

- (a) in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the

earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;

- (b) an Option granted to any Service Provider (other than a Service Provider conducting Investor Relations Activities) will, unless otherwise determined by the Board in the Option Commitment, expire upon the earlier of the original Expiry Date and 90 days after the Termination Date, but only to the extent that such Option has vested as at the Termination Date;
- (c) Options granted to a Service Provider conducting Investor Relations Activities will, unless otherwise determined by the Board in the Option Commitment, expire upon the earlier of the original Expiry Date and 30 days after the Terminate Date, but only to the extent that such Option has vested as at the Termination Date; and
- (d) in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

Non Assignable

3.11 Subject to Section 3.10, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

Adjustment of the Number of Optioned Shares

3.12 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following:

- (a) in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefor;
- (b) in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- (c) in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- (d) in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the

Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Section 3.12;

- (e) an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- (f) the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this Section 3.12, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and
- (g) if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Section 3.12, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records. Such determination will be binding upon the Company and all Optionees.

ARTICLE 4 COMMITMENT AND EXERCISE PROCEDURES

Option Commitment

4.1 Upon grant of an Option hereunder, an authorized Officer will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

Manner of Exercise

4.2 An Optionee who wishes to exercise his Option may do so by delivering:

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price by the Optioned Shares being acquired.

Delivery of Certificate and Hold Periods

4.3 As soon as practicable after receipt of the notice of exercise described in Section 4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, if (i) the Exercise Price is set below the then current market price of the Common Shares on the TSX Venture; or (ii) the Optionee is an Insider, the certificate will also bear a legend stipulating that the Optioned Shares are subject to a four-month TSX Venture hold period commencing the Effective Date of the Option.

ARTICLE 5 GENERAL

Employment and Services

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

No Representation or Warranty

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

Interpretation

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

Effective Date of Plan

5.4 The effective date of the Plan is May 26, 2017.