

QUINSAM CAPITAL CORPORATION

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

WITH RESPECT TO

THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JULY 17, 2020

Dated June 5, 2020

QUINSAM CAPITAL CORPORATION

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

Notice is hereby given that an annual general and special meeting (the “**Meeting**”) of the shareholders (“**Shareholders**”) of Quinsam Capital Corporation (the “**Corporation**”) will be held at Foundation Markets Inc., 77 King Street West, Suite 2905, Toronto, Ontario, M5K 1H1 on July 17, 2020 at 10:00 a.m. (Toronto time), for the following purposes:

1. to receive and consider the financial statements of the Corporation for the year ended December 31, 2019 and the report of the auditors thereon;
2. to appoint MNP LLP as the auditors of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to elect the directors of the Corporation for the ensuing year;
4. to consider, and if deemed advisable, to pass with or without modification a special resolution authorizing an amendment of the articles of the Corporation to effect a consolidation of all of the issued and outstanding common shares of the Corporation (the “**Common Shares**”) on the basis of a consolidation ratio to be selected by the board of directors within a range between two (2) pre-consolidation Common Shares for one (1) post-consolidation Common Share and twenty (20) pre-consolidation Common Shares for one (1) post-consolidation Common Share, as more particularly described in the accompanying management information circular (the “**Circular**”); and
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the Circular.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is June 5, 2020 (the “**Record Date**”). Shareholders whose names have been entered in the register of shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

In an effort to mitigate the risks associated with COVID-19, and to preserve the health and safety of our communities, Shareholders, employees and other stakeholders, we are asking Shareholders to vote in advance of the Meeting. We encourage Shareholders to not attend the Meeting in person due to risks related to COVID-19. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered Shareholders and proxyholders entitled to attend and vote at the Meeting. We highly recommend Shareholders vote their common shares prior to the Meeting.

Voting

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournments or postponements thereof in person are requested to complete, date, sign and return the accompanying form of proxy for use at the Meeting or any adjournments or postponements thereof. To be effective, the enclosed form of proxy must be mailed or faxed so as to reach or be deposited with Computershare Investor Services Inc. at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Attn: Proxy Department, Fax: 1.866.249.7775, prior to the proxy deadline, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof. Registered Shareholders shall also have the option to vote by telephone or via the internet, as more particularly described in the Circular. Information on how non-registered (or beneficial) Shareholders may cast their vote is also described in greater detail in the Circular.

DATED this 5th day of June, 2020.

BY ORDER OF THE BOARD OF DIRECTORS

“Roger Dent”

Roger Dent
Chief Executive Officer and Director

GENERAL INFORMATION RESPECTING THE MEETING

Solicitation of Proxies

This management information circular (this “Circular”) is furnished in connection with the solicitation of proxies by the management of Quinsam Capital Corporation (the “Corporation”) for use at the annual general and special meeting (the “Meeting”) of the shareholders (the “Shareholders”) of the Corporation to be held at 10:00 a.m. (Toronto time) on July 17, 2020 at Foundation Markets Inc., 77 King Street West, Suite 2905, Toronto, Ontario, M5K 1H1 for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders. References in the Circular to the Meeting include any adjournment(s) or postponement(s) thereof. It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation by telephone, electronic mail, telecopier or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Corporation.

The board of directors of the Corporation (the “Board”) has fixed the close of business on June 5, 2020 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the “Record Date”). All duly completed and executed proxies must be received by the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. (“Computershare”), Attn: Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Fax: 1.866.249.7775 or Tel: 1.866.732.8683 not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof.

We encourage Shareholders to not attend the Meeting in person due to risks related to COVID-19. We will also take additional precautionary measures in relation to the physical Meeting, limiting access to essential personnel, registered Shareholders and proxyholders entitled to attend and vote at the Meeting. We highly recommend Shareholders vote their common shares prior to the Meeting.

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Unless otherwise stated, the information contained in this Circular is as of June 5, 2020.

Voting of Proxies

The common shares in the capital stock of the Corporation (“Common Shares”) represented by the accompanying form of proxy (if same is properly executed and is received at the offices of Computershare at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting in accordance with the specification made on any ballot that may be called for. **In the absence of such specification, proxies in favour of management will be voted in favour of all resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Annual General and Special Meeting of Shareholders and with respect to other matters which may properly come before the Meeting.** At the time of printing of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

How to Vote – Registered Shareholders

By Proxy

1. By telephone • 1.866.732.VOTE(8683)

2. On the internet • www.investorvote.com
3. By mail • Computershare Investor Services Inc., 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1
4. By fax • 1.866.249.7775
5. You may appoint another person or company as your proxyholder to go to the Meeting and vote your Common Shares for you. This person does not have to be a Shareholder but must attend the Meeting.

The vote at the Meeting may be conducted by show of hands or by ballot.

Appointment of Proxies

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person's name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Computershare, at the address provided herein, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournment(s) or postponement(s) thereof.**

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Common Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy.

To be valid, a form of proxy must be executed by a Shareholder or a Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

Revocation of Proxies

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by:

- (i) completing and signing a proxy bearing a later date and depositing it at the offices of Computershare, 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1;
- (ii) depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Computershare 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 Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or
- (iii) in any other manner permitted by law.

Such instrument will not be effective with respect to any matter on which a vote has already been cast pursuant to such proxy.

Voting by Non-Registered Shareholders

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust

company through which they purchased the Common Shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (“**Intermediary**”) that the Non-Registered Shareholder deals with in respect of the Common Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. (“**CDS**”)) of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Annual General and Special Meeting of Shareholders, this Circular, the form of proxy and a request card for interim and annual materials (collectively, the “**Meeting Materials**”) to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders. The Corporation does not intend to pay for the delivery of the Meeting Materials to objecting Non-Registered Shareholders.

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

- (i) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a “**voting instruction form**”) which the Intermediary must follow. Typically, the voting instruction form will consist of a one-page pre-printed form. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, instead of the one-page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. **A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Common Shares at the Meeting;** or
- (ii) be given a form of 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 Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare at the address provided herein.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person’s name in the blank space provided. **In either case, Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.**

A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

How to Vote – Beneficial Shareholders

By voting instruction form

1. Your nominee is required to ask for your voting instructions before the Meeting, and you should contact your nominee if you did not receive a request for voting instructions or a proxy form with this Circular.
2. As noted above, in most cases, you will receive a voting instruction form from your nominee, and you should provide your voting instructions in accordance with the directions on the form.
3. Less frequently, you will receive a proxy form signed by the nominee that is restricted as to the number of Common Shares beneficially owned by you but is otherwise incomplete. If you receive a proxy form, you should complete and return it in accordance with the directions on the proxy form to the Corporation, c/o Computershare Investor Services Inc., 8th floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, Fax: 1.866.249.7775.
4. To be valid for use at the Meeting, voting instruction forms and proxies must be received before 10:00 a.m. (Toronto time), Wednesday, July 15, 2020.

In person at the Meeting

1. The Corporation does not have access to the names or holdings of “objecting beneficial” owners of Common Shares.
2. Beneficial Shareholders can only vote shares in person at the Meeting if appointed as the proxyholder (you can do this by printing your name in the space provided on the voting instruction form provided by your nominee and submitting and returning it as directed on the form).
3. If appointed as proxyholder, a beneficial Shareholder will be asked to register his or her attendance at the Meeting and may vote at the Meeting on votes conducted by show of hands or by ballot.

We encourage Shareholders to not attend the Meeting in person due to risks related to COVID-19. We highly recommend Shareholders vote their Common Shares prior to the Meeting.

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

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation’s last financial year, each proposed nominee for election as a director of the Corporation, and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without par value and an unlimited number of preferred shares without par value. As at the date hereof, there are 111,172,693 Common Shares issued and outstanding and nil preferred shares issued and outstanding.

Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. All such holders of record of Common Shares on the Record Date are entitled either to attend and vote thereat in person the Common Shares held by them or, provided a completed and executed proxy shall have been delivered to the Corporation’s transfer agent, Computershare, within the time specified in the attached Notice of Annual General and Special Meeting of Shareholders, to attend and to vote thereat by proxy the Common Shares held by them.

To the knowledge of the directors and executive officers of the Corporation, as of the date hereof, no person or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying

10% or more of the voting rights attached to all outstanding Common Shares of the Corporation, other than as set out below:

Name of Shareholder	Number of Common Shares ⁽¹⁾⁽²⁾⁽³⁾	Percentage of Common Shares ⁽¹⁾⁽²⁾
Roger Dent	12,447,500	11.20%

Notes:

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the relevant shareholder.
- (2) On a non-diluted basis.
- (3) 1,700,000 Common Shares controlled by Mr. Dent are held through Evelyn Dent, 1,700,000 Common Shares controlled by Mr. Dent are held through Meredith Dent, 3,679,500 Common Shares controlled by Mr. Dent are held through Susan Lambie and 783,000 Common Shares controlled by Mr. Dent are held through Theresa Dent.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's Chief Executive Officer, Chief Financial Officer, and, if applicable, its three most highly compensated individuals acting as, or in a like capacity as, executive officers of the Corporation whose total compensation for the most recently completed financial year was individually equal to more than \$150,000 (the "NEOs" or "Named Executive Officers"), during the Corporation's most recently complete financial year, being the financial year ended December 31, 2019 (the "Last Financial Year"). The NEOs of the Corporation during the Last Financial Year were Roger Dent, the Chief Executive Officer and a Director of the Corporation, Peter Bilodeau, the former President and Director of the Corporation and Keith Li, the Chief Financial Officer of the Corporation.

Compensation & Corporate Governance Committee

The compensation & corporate governance ("Compensation & Corporate Governance Committee") is currently comprised of three directors, namely Ross Geddes (Chairman), Roger Dent and Adam Szweras, all of whom are independent within the meaning of Canadian Securities Administrator's National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") other than Roger Dent, who is an officer of the Corporation.

The Compensation & Corporate Governance Committee's purpose is, among other things, to: (i) review and make recommendations to the Board at least annually regarding the Corporation's remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans (including the Corporation's incentive stock option plan) and grants, and benefit plans; (ii) have the sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention; (iii) review and approve at least annually all compensation arrangements with the senior executives of the Corporation; (iv) review and approve at least annually all compensation arrangements with the directors of the Corporation; and (v) review the executive compensation sections disclosed in the Corporation's management proxy circular distributed to the Shareholders in respect of the Corporation's annual meetings of Shareholders.

Compensation Process

The Board relies on the knowledge and experience of the directors thereon and the members of the Compensation & Corporate Governance Committee to set appropriate levels of compensation for senior officers. Neither the Corporation nor the Board, nor the Compensation & Corporate Governance Committee, currently has any contractual arrangement with any executive compensation consultant who has a role in determining or recommending the amount or form of senior officer compensation.

The Compensation & Corporate Governance Committee reviews the various elements of the NEOs' compensation in the context of the total compensation package (including salary, consulting fees and prior awards under the Corporation's stock option plan) and recommends to the Board the NEOs' compensation packages. The Compensation

& Corporate Governance Committee’s recommendations regarding NEO compensation are presented to the independent members of the Board for their consideration and approval.

Principles / Objectives of the Compensation Program

The primary goal of the Corporation’s executive compensation program is to attract, motivate and retain top quality individuals at the executive level. The program is designed to ensure that the compensation provided to the Corporation’s senior officers is determined with regard to the Corporation’s business strategy and objectives and financial resources, and with the view of aligning the financial interests of the senior officers with the financial interests of the shareholders of the Corporation.

Compensation Program Design and Analysis of Compensation Decisions

Standard compensation arrangements for the Corporation’s senior officers are composed of the following elements, which are linked to the Corporation’s compensation and corporate objectives as follows:

Compensation Element	Link to Compensation Objectives	Link to Corporate Objectives
Base Salary and/or Consulting Fees	<i>Attract and Retain</i>	Competitive pay ensures access to skilled employees necessary to achieve corporate objectives.
Stock Options	<i>Motivate and Reward Align interests with Shareholders</i>	Long-term incentives motivate and reward senior officers to increase shareholder value by the achievement of long-term corporate strategies and objectives.
Annual Incentive Bonus	<i>Motivate and Reward Align interests with Shareholders</i>	Bonus payments in cash or DSUs incentivize senior officers to increase shareholder value by meeting investment targets and reaching corporate objectives.

Performance and Compensation

The Board did not establish any quantifiable criteria during the Last Financial Year with respect to base compensation payable or the amount of equity compensation granted to NEOs and did not benchmark against a peer group of companies.

Base Salaries and Consulting Fees

The Corporation reviews on an ongoing basis the appropriate compensation package for senior officers with the aim of providing base salaries or consulting fees which represent their minimum compensation for services rendered or expected to be rendered. NEOs’ base compensation will depend on the scope of their experience, responsibilities, leadership skills, performance, length of service, general industry trends and practices competitiveness, and the Corporation’s existing financial resources. Base salaries will be reviewed annually by the Compensation & Corporate Governance Committee. During the Last Financial Year, the Compensation & Corporate Governance Committee and the Board decided it would be in the best interests of the Corporation and its Shareholders to provide base salaries, payable on a monthly basis, to compensate senior officers for their ongoing contributions to the Corporation. Roger Dent, the Chief Executive Officer and a Director of the Corporation receives a base monthly salary of \$10,000, and Keith Li an employee of Branson Corporate Services Ltd. pursuant to which the Corporation has an agreement for CFO services, receives a monthly consulting fee of \$8,000.

Bonuses

The Corporation may, in its discretion, award annual incentives by way of cash bonuses in order to motivate executives to achieve short-term corporate goals and encourage continued high standards of performance. The success of NEOs in achieving their individual objectives and their contributions to the Corporation in reaching its overall goals are factors in the determination of their annual bonus. The Board has adopted a “bonus pool” whereby senior officers and directors may receive bonus awards calculated at 5% of net investment income, on an annual basis, payable in cash or equity incentive securities of the Corporation. During the Last Financial Year, Roger Dent, the Chief Executive Officer and a Director of the Corporation, and Eric Szustak, the Chairman and a Director of the Corporation, were granted bonus awards of 2,375,000 and 125,000 deferred share units (“DSUs”) respectively, in accordance with the

terms of the Corporation's deferred share unit plan (the "**DSU Plan**").

The Compensation & Corporate Governance Committee determines target amounts based on a number of factors, including comparable compensation of similar companies. Each NEO may receive an annual incentive amount set by the Compensation & Corporate Governance Committee, depending on the assessment of such NEO's overall performance by the Compensation & Corporate Governance Committee and the Board.

The Board relies heavily on the recommendations of the Compensation & Corporate Governance Committee in granting annual incentives. However, the Board reserves ultimate discretion in determining whether each NEO has met his or her targets, and has the right make positive or negative adjustments to any annual incentive payment recommended by the Compensation & Corporate Governance Committee that it deems appropriate.

Stock Option Plan

The Corporation adopted an incentive stock option plan dated April 20, 2004, which was amended effective November 23, 2006 (the "**Stock Option Plan**"). Shareholders ratified and approved the Stock Option Plan on June 29, 2007. The Stock Option Plan, together with the DSU Plan, are the Corporation's only equity compensation plans approved by Shareholders. The total number of stock options that may be granted together with outstanding options and DSUs cannot exceed 10% of the total number of Common Shares issued and outstanding. As of the date of this Circular, the Corporation has 768,917 options outstanding to purchase Common Shares.

The Stock Option Plan is a rolling stock option plan, under which 10% of the outstanding Common Shares at any given time are available for issuance thereunder. The exercise price of each option may not be less than the market price of the Common Shares as calculated on the date of grant less an applicable discount. The options can be granted for a maximum term of five (5) years and vesting periods are determined by the Board. The purpose of the Stock Option Plan is to advance the interests of the Corporation by (i) providing certain employees, officers, directors or consultants of the Corporation (collectively, the "**Optionees**") with additional performance incentives; (ii) encouraging Common Share ownership by the Optionees; (iii) increasing the proprietary interest of the Optionees in the success of the Corporation; (iv) encouraging the Optionees to remain with the Corporation; and (v) attracting new employees, officers, directors and consultants to the Corporation.

The grant of options pursuant to the Corporation's stock option plan is an integral component of the compensation arrangements of the senior officers of the Corporation. The Board believes that the grant of options to senior officers and Common Share ownership by such officers serves to motivate such officers to strive towards achievement of the Corporation's long-term strategic objectives, which will benefit all Shareholders. Options may be awarded to employees of the Corporation by the Board. Decisions with respect to options granted are based upon the individual's level of responsibility and their contribution towards the Corporation's goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The Board considers the overall number of options that are outstanding relative to the number of outstanding Common Shares in determining whether to make any new grants of options and the size of such grants.

DSU Plan

The Corporation's DSU Plan dated April 29, 2019 was ratified and approved by the Shareholders on June 25, 2019. The DSU Plan is designed to promote the alignment of interests among employees, directors, officers and Shareholders of the Corporation. The Compensation & Corporate Governance Committee is responsible for administering the DSU Plan, subject to the overriding authority of the Board to make all determinations and take all other actions in connection with or in relation to the DSU Plan as it may deem necessary or advisable. The following summary is subject to the specific provisions of the DSU Plan.

Employees, directors and officers (the "**Participants**", and each a "**Participant**") are eligible to participate in the DSU Plan. A DSU issued under the DSU Plan is a bookkeeping entry representing a future right to receive one Common Share in accordance with the terms of the DSU Plan. As of the date of this Circular, the Corporation has 2,607,702.842 DSUs outstanding redeemable for Common Shares.

The aggregate number of Common Shares that may be reserved for issuance, at any time, under the DSU Plan and under any other security based compensation arrangement adopted by the Corporation, including the Corporation's Stock Option Plan, shall not exceed 10% of the total amount of Common Shares of the Corporation issued and outstanding as at the date of issuance of an incentive security.

Subject to applicable income tax and other withholdings as required by law, the value of the vested DSUs redeemed by or in respect of a Participant may be paid to the Participant, at the election of the Participant, in the form of Common Shares. Any vesting conditions (which may include time restrictions, performance conditions or a combination of both) for DSUs shall be determined by the Compensation & Corporate Governance Committee in advance of any grants. The Board may also, in its sole and absolute discretion, accelerate and/or waive any vesting or other conditions for all or any DSUs for any Participant at any time and from time to time.

Upon the occurrence of a Change of Control (as such term is defined in the DSU Plan), all of a Participant's unvested DSUs will automatically become vested DSUs on the date such change of control occurs and all of such Participant's vested DSUs will be redeemed in accordance with the terms of the DSU Plan in a manner that allows the Participant to participate in such Change of Control only if it is completed prior to the date of an event of termination (if any), as determined by the Board in its sole discretion.

If the number of outstanding Common Shares of the Corporation shall be increased or decreased as a result of a stock split, consolidation or recapitalization and not as a result of the issuance of Common Shares for additional consideration or by way of stock dividend, the Board may make appropriate adjustments to the number of DSUs credited to a Participant. Any determinations by the Board as to the required adjustments shall be made in its sole and absolute discretion and all such adjustments shall be conclusive and binding for all purposes under the DSU Plan.

Whenever cash dividends or distributions are paid on the Common Shares, additional DSUs may be credited to the Participant's DSU Account (as such term is defined in the DSU Plan). The number of such additional DSUs will be calculated by dividing the aggregate dividends or distributions that would have been paid to such Participant, if the DSUs in the Participant's DSU Account had been Common Shares, by the market price of the Common Shares on the date on which the dividends or distributions were paid on the Common Shares.

The Board reserves the right, in its absolute discretion, to amend, suspend or terminate the DSU Plan, or any portion thereof, at any time without obtaining shareholder approval, subject to those provisions of applicable law and regulatory requirements (including the rules, regulations and policies of the CSE), if any, that require shareholder approval.

Summary Compensation Table

The following tables provides information for the Last Financial Year and the years ended December 31, 2018 and December 31, 2017 regarding compensation earned by each of the following NEOs:

Name and principal position	Year Ended December 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Roger Dent <i>Chief Executive Officer</i>	2019	120,000	420,395 ⁽¹⁾	Nil	Nil	Nil	Nil	Nil	540,395
	2018	90,000	Nil	516,342 ⁽²⁾	Nil	Nil	Nil	Nil	606,342
	2017	Nil	Nil	573,828 ⁽⁴⁾	Nil	Nil	Nil	Nil	573,828
Keith Li ⁽⁵⁾ <i>Chief Financial Officer</i>	2019	96,000	Nil	Nil	Nil	Nil	Nil	Nil	96,000
	2018	88,705	Nil	Nil	Nil	Nil	Nil	Nil	88,705
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Peter Bilodeau ⁽⁶⁾ <i>Former President and Director</i>	2019	30,000	Nil	Nil	Nil	Nil	Nil	Nil	30,000
	2018	47,925 ⁽⁷⁾	Nil	103,268 ⁽²⁾	Nil	Nil	Nil	Nil	151,193
	2017	Nil	Nil	250,722 ⁽³⁾ ₍₄₎	Nil	Nil	Nil	Nil	250,722

Notes:

- (1) On June 25, 2019, the Corporation granted 2,375,000 DSUs to Mr. Dent as partial payment of the management bonus related to the Corporation's portfolio performance, that was accrued for the year ended December 31, 2018. The DSUs vested immediately on grant and were valued at \$414,438, based on the Corporation's closing share price on the date of grant. On August 26, 2019, and November 28, 2019, the Corporation paid a quarterly dividend of \$0.00125 per common share. On distribution of the cash dividends, the Corporation granted to Mr. Dent an additional 16,047 DSUs at a deemed price of \$0.185 valued at \$3,125 on August 26, 2019, and 29,888 DSUs at a deemed price of \$0.10 valued at \$2,988 on November 28, 2019.
- (2) On March 19, 2018, the Corporation granted 2,600,000 options to a number of directors and officers with an exercise price of \$0.60 and an expiry date of March 19, 2023, of which Mr. Dent received 1,500,000 options and Mr. Bilodeau received 300,000 options. The options vest equally over a period of three years and were measured at fair value at the date of grant using the Black-Scholes valuation model with the following assumptions: expected volatility of 123%, expected dividend yield of 1.11%, risk-free interest rate of 2.0% and an expected remaining life of 5 years.
- (3) On October 19, 2017, the Corporation granted 700,000 options to a number of directors and officers with an expiry date of October 19, 2022 of which Mr. Bilodeau received 500,000 options at an exercisable price of \$0.295. The options vest equally over a period of three years and were measured at fair value at the date of grant using the Black-Scholes valuation model with the following assumptions: expected volatility of 122%, expected dividend yield of 1.69%, risk-free interest rate of 1.70% and an expected remaining life of 5 years.
- (4) On December 22, 2017, the Corporation granted 4,300,000 options to a number of its directors, officers and consultants with an exercisable price of \$0.48 and an expiry date of December 22, 2022, of which Mr. Dent received 1,500,000 options and Mr. Bilodeau received 600,000 options. The options vest equally over a period of three years and were measured at fair value at the date of grant using the Black-Scholes valuation model with the following assumptions: expected volatility of 122%, expected dividend yield of 1.03%, risk-free interest rate of 1.84% and an expected remaining life of 5 years.
- (5) Mr. Li is employed through Branson Corporate Services Ltd., which is party to a management services agreement, providing for Chief Financial Officer services to the Corporation, as well as other accounting and administrative services.
- (6) On December 22, 2017, Mr. Bilodeau was appointed as the President and a Director of the Corporation. Mr. Bilodeau resigned as the President and a Director of the Corporation on May 28, 2020.
- (7) Comprised of \$22,500 for services as a Director and \$25,425 for services as an officer.

Incentive Plan Awards

The following tables provide information regarding the incentive plan awards for each NEO outstanding as of December 31, 2019.

Outstanding Share Awards and Option Awards

Name	Option-based Awards				Share-based Awards	
	Number of Common Shares underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)
Roger Dent	1,500,000	0.48	December 22, 2022	Nil	Nil	Nil
	1,500,000	0.60	March 19, 2023	Nil	Nil	Nil
Keith Li	Nil	N/A	N/A	N/A	N/A	N/A
Peter Bilodeau	100,000	0.295	October 19, 2022	Nil	Nil	Nil
	600,000	0.48	December 22, 2022	Nil	Nil	Nil
	300,000	0.60	March 19, 2023	Nil	Nil	Nil

Note:

- (1) Aggregate dollar amount of in-the-money unexercised options held as at December 31, 2019. This figure is computed based on the difference between the market value of the Common Shares on the Canadian Securities Exchange (“CSE”) as at December 31, 2019 and the exercise price of the option. The closing price of the Common Shares on the CSE on December 31, 2019 was \$0.11.

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-based awards – Value vested during the year (\$)	Share-based awards – Value vested (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Roger Dent	88,958 ⁽¹⁾	420,395 ⁽²⁾	Nil
Keith Li	Nil	Nil	Nil
Peter Bilodeau	Nil	Nil	Nil

Note:

- (1) Aggregate dollar value that would have been realized if the options had been exercised on the vesting date (computed based on the difference between the market price of the Common Shares and the exercise price of the options on the vesting date). The stock options granted on July 27, 2014 vest as to one-twentieth (1/20) on the grant date and one-twentieth (1/20) every three months thereafter until July 26, 2019. The closing price of the Common Shares on the CSE on January 27, 2019 April 27, 2019 and July 26, 2019, was \$0.285, \$0.24 and \$0.15, respectively. Mr. Dent exercised his remaining 818,000 options on July 18, 2019.
- (2) On June 25, 2019, the Corporation granted 2,375,000 DSUs to Mr. Dent as partial payment of the management bonus related to the Corporation’s portfolio performance, that was accrued for the year ended December 31, 2018. The DSUs vested immediately on grant and were valued at \$414,438, based on the Corporation’s closing share price on the date of grant. On August 26, 2019, and November 27, 2019, the Corporation paid a quarterly dividend of \$0.00125 per common share. On distribution of the cash dividends, the Corporation granted to Mr. Dent an additional 16,047 DSUs at a deemed price of \$0.185 valued at \$3,125 on August 26, 2019, and 29,888 DSUs at a deemed price of \$0.10 valued at \$2,988 on November 28, 2019.

Pension Plan Benefits

As at the date of this Circular, the Corporation does not have any pension plans.

Termination and Change of Control Benefits

As at the date of this Circular, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Corporation in the event of the resignation, retirement or other termination of the NEO’s employment with the Corporation, change of control of the Corporation or a change in the NEO’s responsibilities following a change in control.

Director Compensation

The Board determines the level of compensation for directors based on recommendations from the Compensation & Corporate Governance Committee. The Board reviews directors' compensation as needed, taking into account time commitment, risks and responsibilities to ensure that the amount of compensation adequately reflects the responsibilities and risks of being a director and makes adjustments as deemed necessary.

The Board has adopted a cash compensation program for its directors with respect to general director's duties, meeting attendance and for additional service on Board committees. Effective July 1, 2019, directors receive a base fee of \$1,000 on a monthly basis, with members of the Audit Committee earning an additional \$400 per month and members of the Compensation & Corporate Governance Committee receiving an additional \$300 per month. Directors' compensation is reviewed on an annual basis by the Board, with any changes based on the recommendation of the Compensation & Corporate Governance Committee. Directors are reimbursed for all reasonable out-of-pocket expenses incurred in attending Board, committee or Shareholder meetings and otherwise incurred in carrying out their duties as directors of the Corporation.

Directors may receive equity incentive grants determined by the Board pursuant to the Corporation's incentive stock option plan and DSU Plan. The exercise price of options is determined by the Board but shall in no event be less than the market price of the Common Shares at: (a) the trading day prior to the date of grant of the stock options; and (b) the date of grant of the stock options.

Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's directors, other than the NEOs, during the Last Financial Year:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Eric Szustak	28,800	22,126 ⁽¹⁾	Nil	N/A	N/A	N/A	50,926
Adam Szweras	13,200	Nil	Nil	N/A	N/A	N/A	13,200
Ross Geddes	12,000	Nil	Nil	N/A	N/A	N/A	12,000
Terry Booth	9,000	Nil	Nil	N/A	N/A	N/A	9,000
Anthony Roodenburg	12,600	Nil	Nil	N/A	N/A	N/A	12,600

Notes

- (1) On June 25, 2019, the Corporation granted 125,000 DSUs to Mr. Szustak as partial payment of the bonus related to the Corporation's portfolio performance, that was accrued for the year ended December 31, 2018. The DSUs vested immediately on grant and were valued at \$21,812, based on the Corporation's closing share price on the date of grant. On August 26, 2019, and November 27, 2019, the Corporation paid a quarterly dividend of \$0.00125 per common share. On distribution of the cash dividends, the Corporation granted to Mr. Szustak an additional 844 DSUs at a deemed price of \$0.185 valued at \$156 on August 26, 2019, and 1,573 DSUs at a deemed price of \$0.10 valued at \$157 on November 27, 2019.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each director outstanding as of December 31, 2019:

Outstanding Share Awards and Options Awards

Name	Option-based Awards			Share-based Awards		
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)
Eric Szustak	600,000	0.48	December 22, 2022	Nil	N/A	N/A
	300,000	0.60	March 19, 2023	Nil	N/A	N/A
Adam Szweras	100,000	0.30	October 19, 2022	Nil	N/A	N/A
	600,000	0.48	December 22, 2022	Nil	N/A	N/A
	200,000	0.60	March 19, 2023	Nil	N/A	N/A
Terry Booth	500,000	0.295	Oct.19, 2022	Nil	N/A	N/A
	100,000	0.48	Dec 22, 2022	Nil	N/A	N/A
	100,000	0.60	March 19, 2023	Nil	N/A	N/A
Ross Geddes	100,000	0.13	July 1, 2020	Nil	N/A	N/A
	200,000	0.48	Dec 22, 2022	Nil	N/A	N/A
	100,000	0.60	March 19, 2023	Nil	N/A	N/A
Anthony Roodenburg	100,000	0.13	July 1, 2020	Nil	N/A	N/A
	200,000	0.48	Dec 22, 2022	Nil	N/A	N/A
	100,000	0.60	March 19, 2023	Nil	N/A	N/A

Notes:

- (1) Aggregate dollar amount of unexercised options held as at December 31, 2019. This figure is computed based on the difference between the market value of the Common Shares on the CSE as at December 31, 2019 and the exercise price of the option. The closing price of the Common Shares on the CSE as of December 31, 2019 was \$0.11.

The following table provides information regarding the value vested or earned on incentive plan awards for each director during the Last Financial Year:

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option awards – Value vested during the year (\$)	Share awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Eric Szustak	42,275 ⁽¹⁾	22,126 ⁽²⁾	Nil
Adam Szweras	Nil	Nil	Nil
Terry Booth	Nil	Nil	Nil
Ross Geddes	1,400 ⁽³⁾	Nil	Nil
Anthony Roodenburg	1,400 ⁽³⁾	Nil	Nil

Notes:

- (1) Aggregate dollar value that would have been realized if the options had been exercised on the vesting date (computed based on the difference between the market price of the Common Shares and the exercise price of the options on the vesting date). The stock options granted on July 27, 2014 vest as to one-twentieth (1/20) on the grant date and one-twentieth (1/20) every three months thereafter until July 26, 2019. The closing price of the Common Shares on the CSE on January 27, 2019 April 27, 2019 and July 26, 2019, was \$0.285, \$0.24, and \$0.15, respectively. Mr. Szustak exercised his remaining 380,000 options on July 24, 2019.
- (2) On June 25, 2019, the Corporation granted 125,000 DSUs to Mr. Szustak as partial payment of the bonus related to the Corporation's portfolio performance, that was accrued for the year ended December 31, 2018. The DSUs vested immediately on grant and were valued at \$21,812, based on the Corporation's closing share price on the date of grant. On August 26, 2019, and November 27, 2019, the Corporation paid a quarterly dividend of \$0.00125 per common share. On distribution of the cash dividends, the Corporation granted to Mr. Szustak an additional 844 DSUs at a deemed price of \$0.185 valued at \$156 on August 26, 2019, and 1,573 DSUs at a deemed price of \$0.10 valued at \$157 on November 27, 2019.
- (3) Aggregate dollar value that would have been realized if the options had been exercised on the vesting date (computed based on the difference between the market price of the Common Shares and the exercise price of the options on the vesting date). The stock options granted on July 2, 2015 vest as to one-twentieth (1/20) on the grant date and one-twentieth (1/20) every three months thereafter until July 1, 2020. The closing price of the Common Shares on the CSE on January 2, 2019, April 2, 2019, July 2, 2019 and October 2, 2019 was \$0.25, \$0.235, \$0.18 and \$0.135, respectively.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

Equity Compensation Plan Information

The following table provides details of the equity securities of the Corporation authorized for issuance as of the Last Financial Year pursuant to the Corporation's equity compensation plans currently in place:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))⁽¹⁾
Equity compensation plans approved by securityholders	10,348,353	\$0.49	768,917
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	10,348,353 ⁽²⁾		768,917

Notes:

(1) Based on a total of 11,117,269 stock options or DSUs issuable pursuant to the Stock Option Plan and DSU Plan as at December 31, 2019.

(2) Representing approximately 9.31% of the issued and outstanding Common Shares as at December 31, 2019.

MATTERS TO BE ACTED UPON

Financial Statements

The Corporation's audited annual financial statements for the Last Financial Year and the report of the auditors thereon will be placed before shareholders at the Meeting, but no vote thereon is required. These documents are available upon request from the Corporation and they can also be found under the Corporation's SEDAR profile at www.sedar.com.

Appointment of Auditors

MNP LLP ("MNP") are the independent registered certified auditors of the Corporation. MNP was first appointed as auditors of the Corporation on January 7, 2014. Management of the Corporation intends to nominate MNP for re-appointment as auditors of the Corporation.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to re-appoint MNP to serve as auditors of the Corporation until the next annual meeting of Shareholders and to authorize the directors of the Corporation to fix their remuneration as such. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the appointment of MNP as auditors of the Corporation to hold office until the next annual meeting of Shareholders or until a successor is appointed and to authorize the Board to fix the remuneration of the auditors.

Election of Directors

At the Meeting, the following five (5) persons named hereunder will be proposed for election as directors of the Corporation. Management 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, it is intended that discretionary authority shall be exercised by the persons named in the accompanying proxy to vote the proxy for the election of any other person or persons in place of any nominee or nominees unable to serve. Each director elected will hold office until the close of the next annual meeting of Shareholders, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause.

Shareholders have the option to (i) vote for all of the directors of the Corporation listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless the Shareholder has specifically instructed in the enclosed form of proxy that the Common Shares represented by such proxy are to be withheld or voted otherwise, the persons named in the accompanying proxy will vote FOR the election of each of the proposed nominees set forth below as directors of the Corporation.**

The following table, among other things, sets forth the name of all persons proposed to be nominated for election as directors, their place of residence, position held, and periods of service with, the Corporation, or any of its affiliates, their principal occupations and the approximate number of Common Shares of the Corporation beneficially owned, controlled or directed, directly or indirectly, by them.

Name, Province or State and Country of Residence	Date First Became a Director	Present Principal Occupation and/or Positions Held During the Preceding Five Years	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised ⁽¹⁾
Roger Dent ⁽²⁾⁽³⁾ <i>Ontario, Canada</i>	October 29, 2013	Chief Executive Officer of the Corporation and Portfolio manager with Matrix Fund Management Inc.	12,447,500 ⁽⁴⁾
Eric Szustak <i>Ontario, Canada</i>	June 27, 2013	Chairman and Corporate Secretary of the Corporation.	1,014,500
Adam Szweras ⁽²⁾⁽³⁾ <i>Ontario, Canada</i>	October 19, 2017	Barrister & Solicitor; Partner, Fogler, Rubinoff LLP (2006 – present); Chairman, Foundation Markets Inc. (December 2005 – present).	2,323,333 ⁽⁵⁾
Ross Geddes ⁽³⁾ <i>Ontario, Canada</i>	June 24, 2015	Finance Professor at Sheridan College (2005 – Present)	Nil
Anthony Roodenburg ⁽²⁾ <i>Ontario, Canada</i>	June 24, 2015	CEO of Greencastle Resources Ltd. (1996 – Present)	1,250,000 ⁽⁶⁾

Notes:

- (1) The information with respect to the Common Shares beneficially owned, controlled or directed is not within the direct knowledge of the Corporation and has been furnished by the respective individuals.
- (2) Member of the Audit Committee. Anthony Roodenburg is the Chairman.
- (3) Member of the Compensation & Corporate Governance Committee. Ross Geddes is the Chairman.
- (4) 1,700,000 Common Shares controlled by Mr. Dent are held through Evelyn Dent, 1,700,000 Common Shares controlled by Mr. Dent are held through Meredith Dent, 3,679,500 Common Shares controlled by Mr. Dent are held through Susan Lambie and 783,000 Common Shares controlled by Mr. Dent are held through Theresa Dent.
- (5) Mr. Szweras has control and direction of 840,000 Common Shares held by FMI Capital Advisory Inc. and its subsidiaries.
- (6) Common Shares are beneficially owned by Greencastle Resources Ltd. Mr. Roodenburg is the Chief Executive Officer of Greencastle Resources Ltd. and has control and direction over such Common Shares on an indirect basis.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 17,035,333 Common Shares, representing approximately 15.32% of the issued and outstanding Common Shares as of the date hereof.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Corporation, is, as at the date hereof, or has been, within the ten years before the date hereof, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

- (a) was subject to a cease trade or similar order, or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

Other than as set forth below, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

- (a) is, as at the date hereof, or has been within the ten years before the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the ten years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

Other than as set forth below, no director or executive officer of the Corporation, or a shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Pursuant to the terms of a settlement agreement dated December 17, 2001 between Mr. Roger Dent and the Ontario Securities Commission, Mr. Dent received a reprimand and agreed to pay a penalty of \$50,000 plus \$10,000 in costs to the Ontario Securities Commission in connection with certain trades in which he was involved while in a conflict of interest position as a result of being an officer and director of Yorkton Securities Inc.

Share Consolidation

At the Meeting, Shareholders will be asked to consider a special resolution (the "**Consolidation Resolution**"), authorizing the Board to amend the articles of the Corporation to effect a consolidation of all of the issued and outstanding Common Shares on the basis of a consolidation ratio to be selected by the Board within a range between two (2) pre-consolidation Common Shares for one (1) post-consolidation Common Share and twenty (20) pre-consolidation Common Shares for one (1) post-consolidation Common Share (the "**Share Consolidation**").

For illustrative purposes, as of the date hereof, the number of Common Shares issued and outstanding would equal (i) 55,586,347 if the consolidation were to be effected with a ratio of two (2) pre-consolidation Common Shares for one (1) post-consolidation Common Share, and (ii) 5,558,635 if the consolidation were to be effected with a ratio of twenty (20) pre-consolidation Common Shares for one (1) post-consolidation Common Share. If the Consolidation Resolution is approved, the date of the Share Consolidation will be determined at the discretion of the Board, provided that such date shall be before July 17, 2021.

The Board is seeking authority to implement the Share Consolidation because it believes that, among other things, the Share Consolidation could potentially broaden the pool of investors that may consider investing or be able to invest in the Corporation by increasing the trading price of the Common Shares.

Although Shareholder approval for the Share Consolidation is being sought at the Meeting, the Share Consolidation would become effective at a date in the future to be determined by the Board, if and when it is considered to be in the best interest of the Corporation to implement the Share Consolidation. The Board may determine not to implement the Share Consolidation at any time after the Meeting without further action on the part of or notice to the Shareholders, provided that, in any event, such date will be prior to July 17, 2021.

There can be no assurance whatsoever that any increase in the market price per Common Share will result from the proposed Share Consolidation.

Certain Risks Associated with the Share Consolidation

The Corporation's total market capitalization immediately after the Share Consolidation may be lower than immediately before the Share Consolidation.

There are numerous factors and contingencies that could affect the Corporation's share price following the Share Consolidation, including the status of the market for the Common Shares at the time, the Corporation's progress on strategic objectives, and general economic, stock market and industry conditions. A decline in the market price of the Common Shares after the Share Consolidation may result in a greater percentage decline than would occur in the absence of a consolidation, and the liquidity of the Common Shares could be adversely affected following the Share Consolidation.

If the Share Consolidation is implemented and the market price of the Common Shares declines, the percentage decline may be greater than would occur in the absence of a consolidation. The market price of the Common Shares will, however, also be based on the Corporation's performance and other factors, which are unrelated to the number of Common Shares outstanding. Furthermore, the liquidity of the Common Shares could be adversely affected by the reduced number of Common Shares that would be outstanding following a consolidation.

If the Share Consolidation is implemented, it may result in some Shareholders owning "odd lots" of less than 100 Shares on a post-consolidation basis. Odd lots may be more difficult to sell, or require greater transaction costs per Share to sell, relative to Common Shares in "board lots" of multiples of 100 Common Shares.

Other Information Regarding the Share Consolidation

No fractional Shares will be issued in connection with the Share Consolidation, if implemented, and if a Shareholder would otherwise be entitled to receive a fractional Common Share upon the Share Consolidation, such fraction will be rounded down to the nearest whole number.

If approved and implemented, the Share Consolidation will occur simultaneously for all Common Shares and the consolidation ratio would be the same for all such Common Shares. The Share Consolidation would affect all Shareholders equally. Except for any variances attributable to fractional Common Shares, the change in the number of issued and outstanding Common Shares that would result from the Share Consolidation would cause no change in the capital attributable to the Common Shares and would not materially affect any Shareholders' percentage ownership in the Company, even though such ownership would be represented by a smaller number of Common Shares. In addition, the Share Consolidation would not affect any Shareholder's proportionate voting rights. Each Common Share outstanding after the Share Consolidation would be entitled to one vote and be fully paid and non-assessable.

Effect on Non-Registered Shareholders

Non-registered Shareholders holding their Common Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Share Consolidation than those that will be put in place by the Corporation for registered Shareholders. If you hold your Shares with a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

Effect on Share Certificates

If the Share Consolidation is approved by Shareholders and implemented, registered Shareholders will be required to exchange their existing share certificates for new share certificates representing post-consolidation Shares. If the Board decides to implement it, then following the announcement by the Corporation of the effective date of the Share Consolidation, registered Shareholders will be sent a letter of transmittal from the Corporation's transfer agent, Computershare, as soon as practicable after the effective date of the Share Consolidation. The letter of transmittal will contain instructions on how to surrender certificate(s) representing pre-consolidation Common Shares to the transfer

agent. The transfer agent will forward to each registered Shareholder who has sent the required documents a new share certificate representing the number of post-consolidation Common Shares to which the Shareholder is entitled. Until surrendered, each share certificate representing pre-consolidation Common Shares will be deemed for all purposes to represent the number of whole post-consolidation Common Shares to which the Shareholder is entitled as a result of the Share Consolidation.

Procedure for Implementing the Share Consolidation

If the proposed Share Consolidation is approved by the Shareholders and all regulatory requirements are complied with, including the approval of the Canadian Securities Exchange (the "CSE"), and implemented by the Board, following the announcement by the Corporation of the effective date of the Share Consolidation, registered Shareholders will be sent a letter of transmittal by the Corporation's transfer agent, Computershare, containing instructions on how to exchange their share certificates representing pre-consolidation Common Shares for new share certificates representing post-consolidation Common Shares. Non-Registered Holders, holding their Common Shares through a bank, broker or other nominee, should note that such banks, brokers or other nominees may have different procedures for processing the Share Consolidation than those that will be put in place by the Corporation for the registered Shareholders. If you hold your Common Shares with such a bank, broker or other nominee and if you have any questions in this regard, you are encouraged to contact your nominee.

After receipt of all requisite approvals, the Corporation will promptly file articles of amendment with the Director under the *Canada Business Corporations Act*. The Share Consolidation would then become effective on the date shown in the certificate of amendment issued by the Director under the CBCA, as applicable, or such other date indicated in the articles of amendment provided that, in any event, such date will be prior to July 17, 2021.

No Dissent Rights Under the CBCA

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

Consolidation Resolution

To be effective, the *Canada Business Corporations Act* requires that the Consolidation Resolution be approved by a special resolution of the Shareholders, being a majority of not less than two-thirds (2/3) of the votes cast by Shareholders present in person or by proxy at the Meeting. If the Corporation obtains shareholder approval, the Consolidation Resolution would be valid for one year, starting July 17, 2020.

The Board believes that the proposed Share Consolidation is in the best interest of the Corporation and its Shareholders and unanimously recommends that Shareholders vote "FOR" the Consolidation Resolution.

The text of the special resolution to be voted on at the Meeting by the Shareholders is set forth below.

"NOW THEREFORE BE IT RESOLVED as a special resolution of the Shareholders of the Corporation that:

1. pursuant to the *Canada Business Corporations Act*, the articles of the Corporation be amended to consolidate all of the issued and outstanding common shares, on the basis of a consolidation ratio to be selected by the Board of Directors (the "Board") within a range between two (2) pre-consolidation common shares for one (1) post-consolidation common share and twenty (20) pre-consolidation common shares for one (1) post-consolidation common share (the "Share Consolidation"), effective as at the discretion of the Board;
2. the Board be and it is authorized to file articles of amendment and all other requisite documents with all applicable regulatory authorities in order to give effect to the Share Consolidation;
3. the date of completion of the Share Consolidation shall be determined at the discretion of the Board, provided that such date shall be before July 17, 2021;

4. in the event that the Share Consolidation would otherwise result in the issuance of a fractional common share, no fractional common share shall be issued and such fraction will be rounded down to the nearest whole number;
5. the Board be and it is hereby authorized to revoke, without further approval of the Shareholders, this special resolution at any time prior to the completion thereof, notwithstanding the approval by the Shareholders of same, if determined, in the Board' sole discretion to be in the best interest of the Corporation; and
6. any director or officer be and is hereby authorized and directed to execute on behalf of the Corporation, and to deliver or to cause to be delivered all such documents, agreements and instruments, including articles of amendment, and to do and to cause to be done all such other acts or things as he shall determine to be necessary or desirable to carry out the intent of this special resolution.”

Unless a proxy contains instructions to vote against the Consolidation Resolution approving the Consolidation, the persons named in the enclosed proxy intend to vote FOR the approval of the Consolidation Resolution.

Other Matters

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, the form of proxy furnished by the Corporation will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF CORPORATE GOVERNANCE

Board of Directors

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Corporation. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

NI 58-101 defines an “independent director” as a director who has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member’s independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of six (6) directors being Roger Dent, Eric Szustak, Adam Szweras, Ross Geddes, Terry Booth and Anthony Roodenburg. Messrs. Geddes, Szweras, Booth and Roodenburg are independent within the meaning of NI 58-101. Messrs. Dent and Szustak are not independent as they are, or in the case of Mr. Szustak were, officers of the Corporation and thereby have a “material relationship” with the Corporation. All of whom, except for Mr. Booth, will be running for re-election.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management. The Board meets without management present, as circumstances require. When conflicts arise, interested parties are precluded from voting on matters in which they may have an interest. In light of the suggestions contained in National Policy 58-201 – *Corporate Governance Guidelines*, the Board convenes meetings, as deemed necessary, of the independent directors, at which non-independent directors and members of management are not in attendance.

Other Public Company Directorships

The following Board members and Board nominees currently hold directorships in another reporting issuer as set forth below:

Name of Director	Name of Reporting Issuer	Market
Roger Dent	Deveron UAS Corp.	TSX-V
	California Nanotechnologies Corp.	TSX-V
	AcuityAds Holdings Inc.	TSX-V
	Vitalhub Corp.	TSX-V
	Omni-Lite Industries Canada Inc.	TSX-V
Eric Szustak	CR Capital Corp.	TSX-V
	BB1 Acquisition Corp.	TSX-V
Adam Szweras	Nutritional High International Inc.	CSE
	Water Ways Technologies Inc.	TSX-V
	SustainCo Inc.	TSX-V
	Aurora Cannabis Inc.	TSX
	Harborside Inc.	CSE
Terry Booth	Aurora Cannabis Inc.	TSX
	Duncan Park Holdings Corp.	N/A
Anthony Roodenburg	Greencastle Resources Ltd.	TSX-V
	Labrador Gold Corp.	TSX-V
Ross Geddes	N/A	N/A

Orientation and Continuing Education of Board Members

The Board, together with the Compensation & Corporate Governance Committee is responsible for providing a comprehensive orientation and education program for new directors which fully sets out:

- the role of the Board and its committees;
- the nature and operation of the business of the Corporation; and
- the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board, together with the Compensation & Corporate Governance Committee, is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.

Ethical Business Conduct

In addition to those matters which, by law, must be approved by the Board, the approval of the Board is required for:

- the Corporation's annual business plan and budget;
- material transactions not in the ordinary course of business; and
- transactions which are outside of the Corporation's existing business.

To ensure the directors exercise independent judgment in considering transactions and agreements in which a director or officer has a material interest, all such matters are considered and approved by the independent directors. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke such a conflict.

Nomination of Directors

The Board holds the responsibility for the appointment and assessment of directors.

When considering candidates for the role of director, the Board takes into account a number of factors, including the following (although candidates need not possess all of the following characteristics and not all factors are weighted equally):

- personal qualities and characteristics, accomplishments and reputation in the business community;
- current knowledge and contacts in the countries and/or communities in which the Corporation does business and in the Corporation's industry sectors or other industries relevant to the Corporation's business; and
- ability and willingness to commit adequate time to Board and committee matters, and be responsive to the needs of the Corporation.

The Board will periodically assess the appropriate number of directors on the Board and whether any vacancies on the Board are expected due to retirement or otherwise. If vacancies are anticipated, or otherwise arise, or the size of the Board is expanded, the Board will consider various potential candidates for director. Candidates may come to the attention of the Board through current directors or management, stockholders or other persons. These candidates will be evaluated and may be considered at any point during the year.

Diversity Policy

The Corporation's senior management and Board have varying backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a broad range of talent and cumulative experience. The Board considers merit as the essential requirement for board and executive appointments, and as such, it has not adopted any specific target number or percentage, or a range of target numbers or percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, "**members of designated groups**") on the Board or in senior management roles.

The Corporation has not adopted a written diversity policy and seeks to attract and maintain diversity at the executive and Board levels' informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Board as a whole for consideration. Although the level of representation of members of designated groups is one of the many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most qualified individuals. As of the date of this Circular, no members of designated groups currently hold positions on the Board or in senior management.

Director Term Limits

The Corporation does not have a policy that limits the term of the directors on its Board and has not provided other mechanisms of Board renewal. At this time, the Board does not believe that it is in the best interests of the Corporation to establish term limits on a director's mandate or a mandatory retirement age. The Board is of the opinion that term limits may disadvantage the Corporation through the loss of beneficial contributions of directors who have developed increasing knowledge of the Corporation, its operations, and the industry over a period of time.

Compensation & Corporate Governance

The Compensation & Corporate Governance Committee assists the Board in its oversight role with respect to (i) the Corporation's global human resource strategy, policies and programs, and (ii) all matters relating to the proper utilization of human resources within the Corporation, with special focus on management succession, development and compensation.

The Compensation & Corporate Governance Committee:

- reviews and makes recommendations to the Board at least annually regarding the Corporation’s remuneration and compensation policies, including short and long-term incentive compensation plans and equity-based plans, bonus plans, pension plans (if any), executive stock option plans including the Stock Option Plan and grants and benefit plans;
- has sole authority to retain and terminate any compensation consultant to assist in the evaluation of director compensation, including sole authority to approve fees and other terms of the retention;
- reviews and approves at least annually all compensation arrangements with the senior executives of the Corporation;
- reviews and approves at least annually all compensation arrangements with the directors of the Corporation; and
- reviews the executive compensation sections disclosed in annual management proxy circular distributed to the shareholders in respect of the Corporation’s annual meetings of Shareholders.

The Corporation believes that it has adopted corporate governance procedures and policies which encourage ethical behaviour by the Corporation’s directors, officers and employees.

Other Board Committees

The Board has no standing committees other than the Audit Committee and the Compensation & Corporate Governance Committee.

Assessments

The Board does not consider formal assessments useful given the stage of the Corporation’s business and operations. However, the Chairman of the Board meets annually with each director individually, which facilitates a discussion of his contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the Chairman of the Board is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by the Board. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

AUDIT COMMITTEE INFORMATION

The Audit Committee’s Charter

The directors of the Corporation have adopted a Charter for the Audit Committee, which sets out the Audit Committee’s mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Appendix “A” to this Circular.

Composition of the Audit Committee

The members of the Audit Committee are Anthony Roodenburg (Chairman), Adam Szweras and Roger Dent. Messrs. Roodenburg and Szweras are independent (as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) adopted by the Canadian Securities Administrators), while Mr. Dent is not independent as he is an officer of the Corporation, and all members are financially literate (as defined in NI 52-110).

Name of Member	Independent⁽¹⁾	Financially Literate⁽²⁾
Anthony Roodenburg (Chair)	Yes	Yes
Adam Szweras	Yes	Yes

Name of Member	Independent⁽¹⁾	Financially Literate⁽²⁾
Roger Dent	No	Yes

Notes:

- (1) To be considered independent, a member of the Audit Committee must not have any direct or indirect "material relationship" with the Corporation. A "material relationship" is a relationship which could, in the view of the Board of the Corporation, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (2) To be considered financially literate, a member of the Committee must have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

Relevant Education and Experience

Anthony Roodenburg

Mr. Roodenburg began his career in capital markets and finance in 1987 as an Investment Executive with National Bank Financial ("NBF"). Since leaving NBF in 1991, Mr. Roodenburg has been involved in the creation and financing of several start-up companies and has served as an officer and director of a number of public companies, primarily in the mineral exploration industry.

Adam Szweras

Mr. Szweras has experience in representing clients in Canada and the US as well as South America, China and South Asia. Mr. Szweras both joined Fogler, Rubinoff LLP and founded the Foundation Markets Group in 2006. He was called to the Ontario Bar in 1996 and has authored numerous papers and articles relating to Canadian and foreign securities and corporate law.

Roger Dent

Mr. Dent has been involved in the Canadian financial markets for over 25 years and has extensive experience in "small cap" evaluation and investment. Most recently, he was a noted portfolio manager with Matrix Fund Management Inc., where he guided the Matrix Small Companies Fund and the Matrix Strategic Small Cap Fund. Previously, he was Vice Chairman of one of Canada's largest independent investment dealers. He was formerly the #1 ranked Small Cap Analyst according to the Brendan Wood institutional investor survey.

Audit Committee Oversight

At no time during the Last Financial Year have any recommendations by the Audit Committee respecting the appointment and/or compensation of the external auditors of the Corporation not been adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in its Charter.

External Auditor Services Fees (By Category)

The following table discloses the fees billed to the Corporation by its external auditor during the last two completed financial years:

Financial Year Ending	Audit Fees⁽¹⁾	Audit Related Fees⁽²⁾	Tax Fees⁽³⁾	All Other Fees⁽⁴⁾
December 31, 2019	\$100,000	Nil	\$12,000	Nil
December 31, 2018	\$75,000	Nil	\$3,750	Nil

Notes:

- (1) The aggregate fees billed for professional services rendered by the auditor for the audit of the Corporation's annual financial statements.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed in the "Audit Fees" column.
- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services.

(4) No other fees were billed by the auditor of the Corporation other than those listed in the other columns.

Exemption

Since the Corporation is a “Venture Issuer” pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

During the year ended December 31, 2019, no director, executive officer or associate of any director or executive officer of the Corporation was indebted to the Corporation, nor were any of these individuals indebted to any other entity which indebtedness was the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation, including under any securities purchase or other program.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the commencement of the Corporation’s Last Financial Year, no informed person of the Corporation, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries.

ADDITIONAL INFORMATION

Normal Course Issuer Bid

On August 22, 2019, the Corporation announced a normal course issuer bid (the “**2019 Bid**”) authorizing the Corporation to purchase up to 5,733,635 Common Shares, representing approximately 5% of the outstanding shares as of August 22, 2019. The 2019 Bid commenced on August 28, 2019 with purchases being made on the open market through the facilities of the CSE. As at the date hereof, the Corporation has purchased a total of 3,500,000 Common Shares under the 2019 Bid.

Shareholders of the Corporation may obtain, without charge, a copy of the Corporation’s notice to the CSE of its intention to make a normal course issuer bid upon request to the Corporate Secretary of the Corporation.

Additional information relating to the Corporation may be found under the Corporation’s profile on SEDAR at www.sedar.com. Inquiries including requests for copies of the Corporation’s financial statements and management’s discussion and analysis for the year ended December 31, 2019 may be directed to the Corporation by telephone at 905.330.7948. Additional financial information is provided in the Corporation’s comparative financial statements and management’s discussion and analysis for the year ended December 31, 2019, which is also available on SEDAR.

APPROVAL

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

BY ORDER OF THE BOARD OF DIRECTORS

“*Roger Dent*”

Roger Dent
Chief Executive Officer and Director

APPENDIX “A” AUDIT COMMITTEE CHARTER

The Audit Committee Charter

Mandate

Role and Objectives

The Audit Committee (the “**Committee**”) is a committee of the board of directors (the “**Board**”) of Quinsam Capital Corporation (the “**Corporation**”) established for the purpose of overseeing the accounting and financial reporting process of the Corporation, the external audits of the consolidated financial statements of the Corporation and the relationship with the external auditor. In connection therewith, the Committee assists the Board in fulfilling its oversight responsibilities in relation to the Corporation’s internal accounting standards and practices, financial information, accounting systems and procedures, financial reporting and statements and the nature and scope of the annual external audit. The Committee also recommends for Board approval the Corporation’s audited annual and unaudited quarterly consolidated financial statements and other mandatory financial disclosure.

The Corporation’s external auditor reports formally to the shareholders of the Corporation. The external auditor shall also present its more detailed audit findings (including any recommendations for improvements to accounting systems, procedures and internal controls) directly to the Committee. The Committee shall be directly responsible for overseeing the relationship with the external auditor. The Committee shall have such access to the external auditor as it considers necessary or desirable in order to perform its duties and responsibilities.

The objectives of the Committee are as follows:

1. to be satisfied with the credibility and integrity of financial reports;
2. to support the Board in meeting its oversight responsibilities in respect of the preparation and disclosure of financial reporting, including the consolidated financial statements of the Corporation;
3. to facilitate communication between the Board and the external auditor and, to receive on behalf of the Board the reports of the external auditor concerning the detailed findings of the external audit directly from the external auditor;
4. to be satisfied with the external auditor’s independence and objectivity; and
5. to strengthen the role of independent directors by facilitating in-depth discussions between members of the Committee, management and the Corporation’s external auditor.

Composition

1. Members of the Committee shall be appointed by the Board. Each member shall serve until his successor is appointed, unless he shall resign or be removed by the Board or he shall otherwise cease to be a director of the Corporation.
2. Each Committee member shall satisfy the financial literacy and experience requirements of applicable securities laws, any applicable stock exchange requirements or guidelines and any other applicable regulatory rules. Determinations as to whether a particular director satisfies the requirements for membership on the Committee shall be made by the full Board.
3. The Committee shall have access to such officers and employees of the Corporation and its subsidiaries and to such information respecting the Corporation and its subsidiaries and associates as it considers to be necessary or advisable in order to perform its duties and responsibilities.

Meetings

1. At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In case of an equality of votes, the matter will be referred to the Board for decision.
2. A quorum for meetings of the Committee shall be a majority of its members.
3. Meetings of the Committee shall be scheduled as it deems appropriate. The Committee may hold *in camera* sessions of the Committee, without management present, at every meeting.
4. The Committee shall report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee shall meet as it deems appropriate with the Corporation's external auditor, part or all of each such meeting to be in the absence of management.

Responsibilities

Review with management all interim consolidated financial statements of the Corporation and related financial reporting including Management's Discussion and Analysis and any earnings press releases (collectively "**Quarterly Financial Disclosure**") and, if thought fit, approve all Quarterly Financial Disclosure.

As discussed above, the Committee is established to assist the Board in fulfilling its oversight responsibilities with respect to the accounting and financial reporting processes of the Corporation and external audits of the Corporation's consolidated financial statements. In that regard, the Committee shall:

1. Satisfy itself on behalf of the Board with respect to the Corporation's internal control systems including identifying, monitoring and mitigating business risks as well as compliance with legal, ethical and regulatory requirements. The Committee shall also review with management, the external auditor and, if necessary, legal counsel, any litigation, claim or other contingency (including tax assessments) that could have a material effect on the financial position or operating results of the Corporation (on a consolidated basis), and the manner in which these matters may be, or have been, disclosed in the financial statements;
2. Review with management and the external auditor the annual consolidated financial statements of the Corporation, the reports of the external auditor thereon and related financial reporting, including Management's Discussion and Analysis and any earnings press releases (collectively, "**Annual Financial Disclosure**") prior to their public disclosure. This process should include, but not be limited to:
 - a. reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future year's financial statements;
 - b. reviewing financial statements and all items raised by the external auditor, whether or not included in the financial statements; and
 - c. reviewing unresolved differences between the Corporation and the external auditor.

Following such review, the Committee shall recommend to the Board for approval all Annual Financial Disclosure;

3. Be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, other than Annual Financial Disclosure or Quarterly Financial Disclosure, and shall periodically assess the adequacy of those procedures;
4. Review with management and recommend to the Board for approval any financial statements of the Corporation which have not previously been approved by the Board and which are to be included

in a prospectus of the Corporation;

5. If the Corporation files an annual information form under applicable securities laws review with management and recommend to the Board for approval, the Corporation's annual information form;
6. With respect to the external auditor:
 - a. consider and make a recommendation to the Board as to the appointment or reappointment of the external auditor, being satisfied that such auditor is a participant in good standing pursuant to applicable securities laws;
 - b. review the terms of engagement of the external auditor, including the appropriateness and reasonableness of the auditor's fees, and make a recommendation to the Board as to the compensation of the external auditor;
 - c. when there is to be a replacement of the external auditor, review with management the reasons for such replacement and the information to be included in any required notice to securities regulators and recommend to the Board for approval the replacement of the external auditor along with the content of any such notice;
 - d. oversee the work of the external auditor in performing its audit or review services and oversee the resolution of any disagreements between management and the external auditor;
 - e. as may be required by applicable securities laws, either:
 - i. pre-approve all non-audit services to be provided by the external auditor to the Corporation (and its subsidiaries, if any), or, in the case of *de minimis* non-audit services, approve such non-audit services prior to the completion of the audit; or
 - ii. adopt specific policies and procedures for the engagement of the external auditor for the purposes of the provision of non-audit services; and
 - f. review and approve the hiring policies of the Corporation regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation;
7. Establish procedures 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; and
8. Engage independent counsel and other advisors as it determines necessary to carry out its duties and set and pay the compensation for any such advisors.